



THE NAHAR GROUP

12th Annual Report
1999-2000



NAHAR EXPORTS LIMITED

(Golden Trading House)



ANNUAL REPORT 1999-2000

BOARD OF DIRECTORS

SH. JAWAHAR LAL OSWAL	— Chairman Cum Managing Director
SH. DINESH OSWAL	— Managing Director
SH. KAMAL OSWAL	
SH. DINESH GOGNA	
SH. KOMAL JAIN	
SH. SATPAUL NIJHAWAN	
SH. SARDARI LAL SEHGAL	— Executive Director
SH. VIJAY GUPTA	
DR. (MRS.) H.K.BAL	
DR. OM PARKASH SAHNI	

FINANCE CONTROLLER

SH. PREM KISHORE VASHISHTH
SH. ANIL KUMAR GARG

COMPANY SECRETARY

SH. RAJESH KUMAR

BANKERS

PUNJAB NATIONAL BANK

STATE BANK OF INDIA

CANARA BANK

ALLAHABAD BANK

AUDITORS

GUPTA VIGG & CO.
CHARTERED ACCOUNTANTS
101, KISMAT COMPLEX,
G.T.ROAD, MILLER GANJ, LUDHIANA.

REGISTERED OFFICE

376, INDUSTRIAL AREA - A
LUDHIANA - 141 003 (PB.)

WORKS

1. **Rishab Spinning Mills,**
Village Jodhan , Distt. Ludhiana.
2. **Nahar Exports Limited**
i) 425, Industrial Area - A, Ludhiana
ii) B-XXX, 1743/3, Dhandari, Ludhiana
3. **Nahar Exports Limited, 100% EOU**
Village Lehli / Lalru, Distt. Patiala
4. **Nahar Fibres Unit I**
Jitwal Kalan, Malerkotla
5. **Nahar Fibres 100 % EOU**
Jitwal Kalan, Malerkotla

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DATE : 25TH AUGUST, 2000	DIRECTORS' REPORT	3
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NAHAR EXPORTS LIMITED

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of Nahar Exports Limited, will be held on Friday, the 25th August, 2000 at 11.00 A.M. at the Premises of Nahar International Limited, Focal Point, Ludhiana-141 010, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Sh. Vijay Gupta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Sat Paul Nijhawan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. (Mrs.) H. K. Bal who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY Resolution:

"RESOLVED THAT Sh. Gursharan Singh Dhiman, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office by virtue of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice proposing his candidature in writing for the office of Director, be and is hereby appointed as a Director of the Company and his period of office will be liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) Sh. S. L. Sehgal the Executive Director of the Company be and is hereby re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st July, 2001, on the terms and conditions mentioned hereunder :

A. Salary:

Salary Rs. 80,000/- (Rs. Eighty Thousand only) per month.

B. Perquisites and other Allowances :

- i) **Housing** : The Company will provide furnished accommodation to Sh. S. L. Sehgal. In case no accommodation is provided by the Company the House Rent Allowance will be paid @ 30% of the salary.
- ii) **Medical Reimbursement** : Expenses incurred for Sh. S.L. Sehgal and his family subject to ceiling of one month's salary in a year or 3 month's salary in a period of 3 years.
- iii) **Ex-Gratia/Bonus** : One month's salary for each year.
- iv) **Provident Fund** : Company's contribution to provident fund shall be in accordance with rules and regulations of the Company.
- v) **Gratuity** : As per rules of the Company payable at the rate of half month's salary for each completed year of service.
- vi) **Leave With Wages** : As per Company's rules.
- vii) Provision of car for use on Company's business and telephone at residence will be provided by the Company. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
- viii) **Personal Accident Insurance** : Premium not to exceed Rs. 4000/- p.a.
- ix) Other perquisites will be provided as per Company's rules.

RESOLVED FURTHER THAT wherein any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay Sh. S. L. Sehgal remuneration by way of salary, perquisites and other allowances etc. not exceeding the limits specified under Section II of the Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter & vary the terms and conditions of the said re-appointment so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force or any amendments or modifications that may hereafter be made thereto by the Central Government), as may be agreed to between the Board of Directors and Sh. S. L. Sehgal.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary to give effect to above resolution."

By Order of the Board

Place : Ludhiana
Dated : 27th July, 2000

RAJESH KUMAR
SECRETARY



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NOTES:

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business under item No.7 & item No.8 is annexed hereto and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER THE PROXY BE EFFECTIVE IT SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.
3. The Dividend on Equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting, will be paid to the Members whose names appear on the Company's Register of Members as on 25th August, 2000. In respect of shares held in Electronic form, the dividend will be paid on the basis of details of beneficial ownership as on close of 15th August, 2000 as furnished by the Depositories for this purpose.
4. Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed dividends up to the financial year 1993-94 have been transferred to General Revenue Account of the Central Government. Shareholders who have not encashed their Dividend Warrants relating to the said period are requested to claim the amount from the Registrar of Companies, 286, Defence Colony, Jalandhar, Pb. In case of any assistance required, please write to the Company.
5. Change of address, if any, to be effective, must reach the Company's office by 25th August, 2000 and if any of these are received later than the said date, the same will not be taken into account for the purpose of payment of dividend declared by the Company. Members are requested to provide if already not provided, their Bank Account Number, Name and Address of the Bank/Branch to enable the Company to incorporate the same in the Dividend Warrants.
6. The Register of Members & Share Transfer Register of the Company will remain closed from 16th August, 2000 to 25th August, 2000 (both days inclusive).
7. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.
8. Members are requested to bring the copy of Annual Report alongwith them at the meeting.
9. Members of erstwhile Nahar Fibres Limited (which has been amalgamated into Company) who have not surrendered the shares of Nahar Fibres Limited are again requested to surrender the shares of Nahar Fibres Limited to the Company for getting back the shares of the Company in exchange.
10. While opening a depository account with participants of Depository, you may have given your bank account details, which will be used by your Company for printing on dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the account specified on the dividend warrant. This ensures safety for investors. However, you may want to receive dividend in an account other than the one specified, while opening the depository account. If so, you may change /correct bank account details with your depository participant. We also request you to kindly give MICR code of your bank to your depository participant.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 7

Sh. Gursharan Singh Dhiman, was appointed as an Additional Director of the Company on 30th May, 2000 by the Board of Directors of the Company pursuant to provisions of Section 260 of the Companies Act, 1956. He holds the office of Director upto date of the ensuing Annual General Meeting. As required U/S 257 of the Companies Act, 1956 a notice has been received from a Member signifying his intention to propose his candidature for the office of the Director.

Hence the proposed resolution. None of the Directors except the appointee Sh. Gursharan Singh Dhiman is concerned or interested in this resolution.

ITEM NO. 8

Sh. S. L. Sehgal was re-appointed as Executive Director of the Company w.e.f. 01.07.1996 for the period of five years. His period in the office of the Executive Director will be expiring on 30th June, 2001. Keeping in view his contribution to the overall growth of the Company the Board has re-appointed him subject to the approval of shareholders as Executive Director for a further period of five years w.e.f. 01.07.2001 on the terms and conditions specified in the resolution.

The resolution as given in the Notice may also be treated as an abstract of the terms of contract of appointment under the provisions of Section 302 of the Companies Act, 1956.

None of the Directors except the appointee Sh. S. L. Sehgal is concerned or interested in this resolution.

By Order of the Board

Place : Ludhiana
Dated : 27th July, 2000

RAJESH KUMAR
SECRETARY



NAHAR EXPORTS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 12th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

PARTICULARS	(Rs. in Lacs)	
	CURRENT YEAR	PREVIOUS YEAR
Profit before Interest & Depreciation	6366.29	4920.92
Less: Interest	1731.25	1859.38
Depreciation	2276.42	2072.21
Provision for tax	193.71	104.55
Profit After Tax	2164.91	884.78
Add: Adjustment of Income Tax/Depreciation of earlier years	(-)40.76	(-)75.71
Balance of Surplus brought forward	19.91	19.83
Amount transferred from General Reserve	1540.00	—
Amount available for appropriation	3684.06	828.90
APPROPRIATION		
Proposed Dividend (Including Tax on Dividend)	639.70	581.99
Transfer to General Reserve	—	227.00
Diminution in value of long Term investments	3026.73	—
Balance Carried to Balance Sheet	17.63	19.91
	3684.06	828.90

OPERATIONS REVIEW

During the year under consideration, your Company has been able to attain commendable performance. The turnover of the Company increased to Rs. 41643.13 lacs as compared to Rs.38870.09 lacs during the previous year. On the export front, the performance of the Company has been extremely well. The Company has achieved the total export turnover of Rs. 25293.72 lacs as compared to Rs. 20454.35 lacs during the last year. The Company's endeavours to increase the export turnover and its contribution to the foreign exchange earnings of the nation, has been well recognised by the various regulatory authorities/ Government bodies from time to time during the past years & in the year under review. Your Company has been honoured with number of Export Awards out of which the most prestigious was NATIONAL EXPORT AWARD by the Government of India, which has been presented by Hon'ble Prime Minister of India to Mr. Dinesh Oswal, the Managing Director of the Company, for the excellent export performance of the Company. Your Company has also been awarded the SILVER TROPHY, the second highest Export Award in the Mill Exporter- Yarn category for the year 1998-99 by the Cotton Textiles Export Promotion Council. Besides this your Company has been conferred with status of "GOLDEN TRADING HOUSE" in recognition of its long standing contribution in foreign exchange earnings by export of its products.

The profit after tax was at Rs. 2164.91 lacs as compared to last year figure of Rs. 884.78 lacs. The significant improvement in operational performance of the Company was due to better utilisation of production capacity & resources and also due to increased sales realisation during the year. Barring unforeseen circumstances, Directors feel confident to keep up the same tempo of growth rate of the Company in the years to come.

As there is substantial fall in market value of Company's investments, it has been decided that the effect of fall in the value of investments be taken into account so as to allow the investors to know the real worth of the Company and also to have a true & fair view of the Company for financial analysis purposes. This conscious decision has been taken in tune with the policy of transparency vis-a-vis present strength of the Company. Accordingly a sum of Rs. 3026.73 lacs has been charged to Profit & Loss Appropriation Account after transferring the required amount from General Reserve.

EXPANSION AND MODERNISATION

The Company is continuing to modernise its facilities at its unit situated at village Jitwal Kalan, Dist. Sangrur, Punjab. As on date the Company has replaced the existing 16128 spindles with the latest energy efficient spindles at this unit. The cost of modernisation is being met from Term Loan from ICICI Limited under the Textiles Upgradation Fund Scheme and from internal accruals.

LISTING

The securities of the Company are listed on the following Stock Exchanges :

- (i) The Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana.
- (ii) The Delhi Stock Exchange Association Limited, DSE House, 3/1 Asaf Ali Road, New Delhi.
- (iii) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
- (iv) The Stock Exchange, Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad.



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Further the Company has paid the listing fees to all the aforesaid Stock Exchanges for the financial year 2000-2001.

DIVIDEND

Your Directors are pleased to recommend a dividend @ 15% on the paid up value of equity shares. The equity shares allotted on the basis of the positive consent received during the year from the holders of Part-B of 12.5% Secured Fully Convertible Debentures of Rs.200/- each are entitled for full year dividend for the year 1999-2000.

DEMATERIALISATION OF SHARES

The Company has signed during the year under review an agreement with Central Depository Services (India) Limited for dematerialisation of equity shares. Now the shares of the Company are available for dematerialisation with both the available depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The Securities and Exchange Board of India (SEBI) through a notification have made it compulsory that any delivery in the Company's shares against Stock Exchange Trades by all categories of investors will be in Demat form w.e.f. 08/05/2000. The Members who have not dematerialised their holding are requested to avail the facility of dematerialisation.

Y2K ROLL-OVER

The roll-over to year 2000 has been achieved without any disruptions to the operations of the Company & all systems and all operations are functioning normally.

DIRECTORS

Pursuant to Article 109 of Articles of Association of the Company Sh. Gursharan Singh Dhiman was appointed as Additional Director of the Company. He will hold office of Director upto ensuing Annual General Meeting. Necessary resolution for his appointment as regular Director is embodied in the notice calling the 12th Annual General Meeting of the Company.

Mr. Vijay Gupta, Mr. Sat Paul Nijhawan & Dr. (Mrs.) H. K. Bal, retire by rotation and being eligible, offer themselves for re-appointment.

Sh. S. L. Sehgal's tenure as Executive Director shall be expiring on 30th June, 2001. The Board has recommended his re-appointment for a further period of five years w.e.f. 1st July, 2001. The resolution seeking his re-appointment is proposed at the ensuing Annual General Meeting.

AUDITORS

M/s Gupta Vigg & Co., Chartered Accountants, the Auditors of your Company shall be retiring at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The Company has obtained from Auditors, a certificate as required under Section 224 (1-B) of the Companies Act, 1956 to the effect that their re-appointment if made, would be within the limits specified in the said Section.

COST AUDIT

M/s Ramanath Iyer & Co., Cost Accountants, New Delhi have been appointed as Cost Auditors for the Current Year and their report would be submitted to the Government in accordance with the requirement of Law.

PERSONNEL

The Industrial relations between the employees and the management remained peaceful and cordial throughout the year. The information as required under Section 217 (2A) of the Companies Act, 1956 read with the Rules framed thereunder is given as per Annexure - I of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The detailed information as required u/s 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given as per Annexure - II of this report.

FIXED DEPOSITS

During the year the Company has not accepted any fixed deposits within the meaning of Section 58-A of the Companies Act, 1956 and the Rules made thereunder.

ACKNOWLEDGEMENT

The Board records its grateful appreciation for the sincere Company's operation and valuable guidance from Financial Institutions, Banks and Central and State Government authorities. Your Directors also wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution to the operations of the Company.

The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation & confidence in the management of the Company.

For and on behalf of the Board

JAWAHAR LAL OSWAL
CHAIRMAN CUM
MANAGING DIRECTOR

Place : Ludhiana
Dated : 27th July, 2000

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000.

ANNEXURE - I

SR. NAME NO.	DESIGNATION/ NATURE OF DUTIES	REMUNERATION (RS.)	NATURE OF EMPLOYMENT	QUALIFICATION	EXPERIENCE (YEARS)	DATE OF EMPLOYMENT	AGE (YEARS)	LAST EMPLOYMENT HELD
1. Mr. Jawahar Lal Oswal	Managing Director	31,20,000	Contractual	Graduate	36	01.02.98	57	NIL
2. Mr. Dinesh Oswal	Managing Director	31,99,000	Contractual	B. Com.	15	01.04.98	35	Oswal Woollen Mills Limited
3. Mr. S. L. Sehgal	Executive Director	11,86,573	Contractual	Textile Engineering	40	01.01.90	64	Rohtak Textile Mills Ltd. Rohtak

- Notes : 1. Remuneration includes Salary, House Rent Allowance, Medical Reimbursement, Exgratia, Employers contribution to Provident Fund, Commission where applicable and other perquisites.
2. Sh. Jawahar Lal Oswal is related to Sh. Dinesh Oswal the Managing Director and Sh. Kamal Oswal, the Director of the Company.
3. Sh. Dinesh Oswal is related to Sh. Jawahar Lal Oswal the Managing Director and Sh. Kamal Oswal, the Director of the Company.