



The Nahar Group

27th Annual REPORT 2014-15



Nahar

POLY FILMS LIMITED



BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal
Chairman

Sh. Dinesh Oswal
Director

Sh. Kamal Oswal
Director

Sh. Dinesh Gogna
Director

Sh. Satish Kumar Sharma
Executive Director

Sh. Komal Jain
Director

Dr. (Mrs.) H.K. Bal
Independent Director

Prof. Kanwar Sain Maini
Independent Director

Dr. Suresh Kumar Singla
Independent Director

Dr. Yash Paul Sachdeva
Independent Director

Dr. Amrik Singh Sohi
Independent Director

Dr. Vijay Asdhir
Independent Director

Sh. Rakesh Kumar Jain
Chief Financial Officer

Sh. Atul Sud
Company Secretary

REGISTERED OFFICE

376, Industrial Area-A,
Ludhiana-141 003, Punjab

BANKERS

Oriental Bank of Commerce
Bank of Maharashtra

AUDITORS

M/s. Gupta Vigg & Co.,
Chartered Accountants
101, Kismat Complex,
G.T. Road, Miller Ganj,
Ludhiana-141 003.

27th ANNUAL GENERAL MEETING

Day : Wednesday

Date : 30 September 2015

Time : 2:00pm

Place : At the Premises of

Nahar Industrial Enterprises Limited

Focal Point, Ludhiana

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**NOTICE**

Notice is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the members of **NAHAR POLY FILMS LIMITED** will be held on **Wednesday, 30th Day of September, 2015 at 2:00 P.M.** at the premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jawahar Lal Oswal (DIN 00463866), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kamal Oswal (DIN 00493213), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification (s) or re-enactment (s) thereof, for the time being in force, consent and approval of the members be and is hereby accorded for the payment of remuneration of Rs.45000/- (Rupees Forty Five Thousand only) to M/s. Khushwinder Kumar & Associates, Cost Accountants (Firm Registration No.000102) appointed as Cost Auditor by the Board of Directors of the Company to conduct an Audit of the

Cost Records of the Company for the financial year ending March 31, 2016.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

BY ORDER OF THE BOARD

ATUL SUD

DATED: 5th August, 2015

(Company Secretary)

Regd. Office

376, Industrial Area-A

Ludhiana - 141003

CIN: L17115PB1988PLC008820

E-mail: secnel@owmnaahar.com

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this Notice.
4. The Route Map to reach the venue of the Annual General meeting including prominent land mark for



easy location, is provided at the end of Annual Report.

5. The Register of the Members and Share Transfer Register of the Company shall remain closed from 12th September, 2015 to 22nd September, 2015 (both days inclusive).
6. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends up to the financial year 2006-2007 has been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2007-2008 is to be transferred to Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 in November, 2015. Shareholders who have not encashed their dividend warrants relating to the said period are requested to claim the amount from the Company at the earliest.
7. Members holding shares in physical form are requested to immediately notify change in their address/Bank details to the Company's Share Transfer Agent M/s. Alankit Assignments Limited or to the Company's Registered Office at 376, Industrial Area-A, Ludhiana- 141003.
8. Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 11th September, 2015.
9. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
10. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
11. Copies of Annual Report 2015 are being sent by electronic mode to all the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of Annual Report 2015 are being sent by permitted mode.
12. 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 information ready.
Members are requested to bring their Attendance Slip alongwith their copy of Annual Report along with them at the meeting.
13. The documents referred to in the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on any working day (except Saturday and holiday) between 10.00 A.M. to 12.00 Noon upto the date of Annual General Meeting.
14. The information required to be provided under clause 49 of the Listing Agreement entered into with Stock Exchanges, regarding the Directors who are proposed to be re-appointed are annexed hereto and form part of the Notice.
15. In compliance with provision of Clause 35B of the Listing Agreement as well as Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is offering E-voting facility to all the shareholders of the Company. For this purpose, the Company has entered into an agreement with M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electrically.
16. The Register under Section 189 (4) of the Companies Act, 2013 shall be produced at the commencement of the meeting and shall remain open and accessible during the continuance of the meeting.
17. Notice of the 27th Annual General Meeting and the Annual Report or the financial year 2014-15 will also be available on the Company's website i.e., www.ownnahar.com
18. The facility for voting, via ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
19. The members who have cast their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.
20. **Instructions for Voting through electronic mode:-**
 1. The voting period begins on 27th September, 2015 (9.00 a.m.) and ends on 29th September, 2015 (5.00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date, Wednesday, 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 2. The Shareholders should log on to the e-voting website (www.evotingindia.com)
 3. Click on "Shareholders" tab.



- 4 Now select your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 character DP ID followed by 8 digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- 5 Next enter the Image Verification as displayed and Click on Login.
- 6 If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- 7 If you are a first time user, follow the steps given below:-

	For members holding shares in Demat and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN field. Sequence number is printed on Attendance Slip. In case the Sequence Number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence Number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/Folio number in the Dividend Bank details field as mentioned in instruction 4.

8. After entering these details appropriately, click on "SUBMIT" tab.
9. Members holding shares in physical form will then directly reach the Company selection

screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL Platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

10. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice of ensuing Annual General Meeting of the Company.
11. Click on the EVSN for <NAHAR POLY FILMS LIMITED> to vote.
12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote or cast the vote again.
16. You can also take out the print of the voting done by you by clicking on "Click here to print" option on the Voting page.
17. If Demat account holders has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

18. Note for Non-individual Shareholders and custodians

- a) Non- Individual shareholders (i.e. Other than individuals, HUF, NRI etc.) are required to log



on to <https://www.evotingindia.com> and register themselves as Corporates.

- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to:

helpdesk.evoting@cdslindia.com

- c) After receiving the login details, compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- d) A scanned copy of the Board Resolution/ Power of Attorney (POA), which they have issued in favour of the Custodian if any should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- e) The list of accounts should be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

19. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e., Wednesday, 23rd September, 2015 may follow the same instructions as mentioned above for e-Voting.

20. In case you have any queries or issued regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to

helpdesk.evoting@cdslindia.com. The help desk can also be contacted at 1800-200-5533.

21. Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:

Mr. Atul Sud

Company Secretary and Compliance Officer

376, Industrial Area- A, Ludhiana- 141003

0161-2600701 to 2600705

secnel@owmnahar.com

Other instructions:

22. Voting rights of members shall be in proportion to their shares of the paid-up equity share capital

of the Company as on the cut off date i.e., 23rd September, 2015.

23. Mr. P.S. Bathla, Practising Company Secretary (Membership No. FCS 4391), will act as a Scrutinizer to the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process).

24. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the votes cast in the favour or against, if any, forthwith to the Chairman of the Company.

25. The results declared along with Scrutinizer's Report shall be placed on the website of the Company i.e. www.owmnahar.com and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

26. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 27th Annual general Meeting i.e., 30th September, 2015.

27. A person who is not a Member as on the cut off date i.e., 23rd September, 2015 should treat this notice in formation purpose only.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 5

As per the provisions of Companies (Cost Records and Audit) Amendment Rules, 2014 notified by MCA vide its notification dated 31st December 2014, Company's activities fall within the purview of Cost Audit requirement. Accordingly the Board, at its meeting held on 30th May 2015, as recommended by the Audit Committee appointed M/s. Khushwinder Kumar & Associates (Firm Registration No.000102) on a remuneration of Rs.45000 (Rupees Forty Five Thousand Only) for conducting Cost Audit of the cost



records of the company.

In accordance with the provisions of Section 148(3) of the Companies Act 2013 read with the Companies (Audit and Auditor) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the company. Accordingly, consent and approval of the shareholders is sought for payment of remuneration to M/s. Khushwinder Kumar & Associates., Cost Accountants (Firm Registration No.000102) for the financial year ending March 31, 2016.

None of the Director / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the aforesaid resolution.

The Board recommend the Resolution for your approval.

Information pursuant to Corporate Governance Clause of Listing Agreement regarding Director seeking re-appointment.

As required under the listing agreement, the particulars of Directors who are proposed to be re-appointed are given below

1. Name	: Sh. Jawahar Lal Oswal
Age	: 71 Years
Qualification	: Graduate
Expertise	: Having Business Experience more than 51year in the Industry.
Shareholding	: Nil

Mr. Jawahar Lal Oswal is father of Mr. Dinesh Oswal & Mr. Kamal Oswal. Mr. Kamal Oswal & Mr. Dinesh Oswal are Brothers

His Directorships/membership in the committee of the Board in other Companies:

Name of the Company	Committee	Status
1. Oswal Woollen Mills Limited	--	--
2. Nahar Spinning Mills Limited	--	--
3. Nahar Capital and Financial services Limited	--	--
4. Nahar Industrial Enterprises Limited	--	--
5. J L Growth Fund Limited	--	--
6. Sankheshwar Holding Co. Limited	--	--
7. Monte Carlo Fashions Ltd	--	--
8. Nagdevi Trading & Investment Co. Ltd	--	--
9. Abhilash Growth Fund Pvt. Limited	--	--
10. Nahar Growth Fund (P) Ltd.	--	--
11. Neha Credit and Invnt. (P) Ltd	--	--

12. Monica Growth Fund (P) Ltd.	--	--
13. Ruchika Growth Fund (P) Ltd.	--	--
14. Crown Star Limited (U.K)	--	--
2. Name	: Sh. Kamal Oswal	
Age	: 53 Years	
Qualification	: B.Com	
Expertise	: Having Business Experience of more than 33 years in the industry.	
Shareholding	: 31500	

Mr. Jawahar Lal Oswal is father of Mr. Dinesh Oswal & Mr. Kamal Oswal. Mr. Kamal Oswal & Mr. Dinesh Oswal are Brothers

His Directorships/membership in the committee of the Board in other Companies:

Name of the Company	Committee	Status
1. Nahar Spinning Mills Limited	--	--
2. Oswal Woollen Mills Limited	--	--
3. Nahar Capital and Financial services Limited	--	--
4. Nahar Industrial Enterprises Limited	Stakeholders Relationship	Member
5. Cotton County Retail Ltd.	Nomination and Remuneration	Chairman
6. Oswal Leasing Ltd.	--	--
7. Nahar Industrial Infrastructure Corp. Ltd.	--	--
8. Neha Credit and Investment Pvt. Ltd.	--	--
9. Vardhman Investments Ltd.	--	--
10. Nahar Growth Fund Pvt. Ltd.	--	--
11. Crown Star Limited (U.K)	--	--
12. Abhilash Growth Fund Pvt. Limited	--	--
13. Sankheshwar Holding Co. Ltd	--	--

BY ORDER OF THE BOARD

ATUL SUD

DATED: 5th August, 2015

(Company Secretary)

Regd. Office

376, Industrial Area-A

Ludhiana - 141003

CIN: L17115PB1988PLC008820

E-mail: secnel@owmnahar.com



DIRECTORS REPORT

Dear Members,

Your directors have pleasure in presenting the **TWENTY SEVENTH ANNUAL REPORT** on the affairs of the Company for the year ended **31st March, 2015**.

FINANCIAL PERFORMANCE

Your Company's Financial Performance during the year under review, is summarised below:

(Rs. In crores)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Profit before Finance Cost & Depreciation	42.43	28.65
Less: Finance Cost	13.12	13.89
Depreciation	21.72	34.84
Profit/ Loss(-) before Tax		7.59
(i) Current Tax		1.17
(ii) Deferred Tax		1.88
Profit/Loss for the period		4.54
		0.29

OPERATIONAL REVIEW

We would like to inform you that Company operates in a single segment i.e., "BOPP Films" as such disclosure requirements under Accounting Standard AS 17 issued by the Institute of Chartered Accountants of India, New Delhi are not applicable.

During the year under review, the Company performed reasonably well. The Company achieved an operating revenue of Rs.343.13 crores showing an increase of 3.90% over the previous year. The Company achieved an export turnover of 43.45 crores. Presently the company is exporting its products to Nigeria, United Kingdom, United Arab Emirates, Bangladesh, Turkey, Oman Tanzania, Nepal, Slovakia Republic etc. On financial front, the company improved its performance and earned a Profit before Interest and Depreciation of Rs. 42.43 crores showing an impressive increase of 48.10% over the previous year. After providing Rs. 13.12 crores towards finance cost and Rs. 21.72 crores towards depreciation, it earned a profit before tax of Rs.7.59 crores. After providing for Income Tax and Deferred Tax of Rs 3.05 crores, the company earned a net profit of Rs.4.54 crores as against Rs 0.29 crores earned in the previous year.

In the current year the Company is performing well. The Company is also making continuous efforts to develop new export markets which will definitely enable the company to improve its performance in the coming periods.

TRANSFER TO RESERVE

After appropriation of profit, Company's Reserves stand increase to Rs.136.22 Crores as on 31st March, 2015

DIVIDEND

Even though your Company earned a profit after tax of Rs. 4.54 crores but having regard to the future requirement of funds and to conserve resources, your Directors do not recommend any dividend for the year ended 31st March, 2015.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 205C of the Companies Act, 1956 the company has transferred an amount of Rs. 7,24,128.00 (Rs. Seven Lacs Twenty Four Thousand One Hundred Twenty Eight only) being the amount of unclaimed dividend for the year 2006-07 to the Investor Education and Protection Fund. Further unpaid dividend for the year 2007-2008 is to be transferred to Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 in November, 2015.

DECLARATION UNDER SECTION 149(6)

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the rules made thereunder.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to section 152(6) of the Companies Act, 2013 and Article 117 of Article of Association of the Company, Sh. Jawahar Lal Oswal (DIN 00463866) and Sh. Kamal Oswal (DIN 00493213), will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board has recommended their appointment to the members of the Company at the ensuing Annual General Meeting.

During the year, the members approved the appointment of Prof. K.S. Maini, Dr. A.S. Sohi, Dr. (Mrs.) H.K. Bal, Dr. S.K. Singla, Dr. Y.P. Sachdeva and Dr. Vijay Asdhir as Independent Directors not liable to retire by rotation.

Further the Board appointed Mr. Rakesh Kumar Jain, who is a qualified Chartered Accountant, having Membership No. 403903 of the Institute of Chartered Accountants of India, as Chief Financial Officer of the Company under the category of Key Managerial Personnel. The Board also approved the inclusion of Sh. Satish Kumar Sharma, Executive Director and Sh. Atul Sud, Company Secretary of the Company under the category of Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board carried out a formal Annual performance evaluation of its own, Board Committees and individual Directors as per the criteria laid down by the Nomination and Remuneration Committee of the Company.

The Board evaluation was carried out through a structured evaluation process by all the Directors based on the criteria such as composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behaviour, leadership qualities, level of engagement and contribution, independence of judgement, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and the results thereof.

APPOINTMENT AND REMUNERATION POLICY

The Board, on the recommendation of the Nomination & Remuneration Committee framed a policy for Appointment and Remuneration of Directors, Senior Management and other employees as provided under Section 178(3) of the Companies Act, 2013. The Appointment and Remuneration Policy of the Company is annexed hereto as Annexure- I and form part of this report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on 15th December, 2014, without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting. At the meeting, they:-

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. Assessed the quality and timeliness of flow of information between the Company management and the Board which is necessary for the Board to

effectively and reasonably perform their duties.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Company at the time of appointing a Director, issues a formal letter of appointment which, inter alia, explains the role, functions duties and responsibilities expected from him/her as a Director of the Company. All Directors are provided with all policies/Guidelines as framed by the Company under various statutes and Listing Agreement to familiarize with the Company's procedure and practices. Further, to update them on the regular basis, the Company provides copies of all amendments in Corporate Laws, Corporate Governance Rules and Listing Agreement. The details of the Company's policy on Familiarisation Programme for Independent Directors are posted on the website of the Company and can be accessed at <http://www.ownahar.com/npfl/>

BOARD MEETINGS

During the year under review, the Board of Directors met four times i.e. 29th May, 2014, 11th August, 2014, 12th November, 2014 and 3rd February, 2015 with a predefined agenda circulated well in advance. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Your company is engaged in the Manufacture of Bi-Axially Oriented Polypropylene Films (BOPP) for which sometimes the company purchases DEPP Licenses from group company(s) which are in the ordinary course of business at Arm's length basis. The Company has not entered into any contract or arrangement with related parties as referred in Section 188(1) of the Companies Act, 2013. Thus the requirement for disclosure of particulars of contracts or arrangement with related parties referred to in Section 188(1) is not applicable. However, as per Company's policy, all the transactions with the Group Companies are placed before the Audit Committee as well as the Board, for their information and approval.

We also wish to inform you that there are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict of interest with the Company at large.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL

**STATEMENTS RELATE AND THE DATE OF THE REPORT:**

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report

SHARE CAPITAL

The Paid up equity share capital of the Company as on 31st March, 2015 is Rs. 1229.40 Lacs. During the year under review Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 3, 6, 11, 12, 16, to the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to provisions of Section 135 of the Companies Act, 2013, the Board in their meeting held on 29th May 2015 constituted the Corporate Social Responsibility Committee (herein after referred to as CSR Committee) comprising of three members namely Sh. Dinesh Oswal, as Chairman, Dr. S.K. Singla and Sh. Dinesh Gogna, as members. The term of reference of CSR Committee are:-

1. To formulate and recommend to the Board CSR Policy specifying therein the activities to be undertaken by the Company as laid down in Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
2. To Recommend the amount of expenditure to be incurred on the CSR activities.
3. To Monitor the Company's CSR Policy and implementation of CSR projects from time to time.

The CSR Committee formulated CSR Policy and recommended to the Board to undertake CSR activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The Company has started contributing the sum for the expenditure to be incurred

by Oswal Foundation for CSR activities. The Oswal Foundation is undertaking the project to 'maintain the quality of soil and water' on Sidhwan Canal, Ludhiana. Besides, the said foundation has also adopted two Government Schools situated in Ludhiana district. for 'promoting education'. The Company's CSR Policy is available on its website i.e. www.owmnahar.com. The disclosure relating to the CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto as "Annexure II" and form part of this Report.

AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013, the Board of Directors have already constituted Audit committee, consisting of Sh. Suresh Kumar Singla as Chairman, Prof K.S. Maini and Sh. Dinesh Gogna, Directors as members. Mr. Atul Sud is the Secretary of the Committee. The committee held four meetings during the year under review.

VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Company established a Vigil Mechanism process as an extension of Company's Code of Conduct whereby any employee, directors, customers, vendors etc., can report the genuine concerns or grievances to the members of the Committee about unethical behavior, actual or suspected, fraud or violation of Company's Code of Conduct so that appropriate action can be taken to safeguard the interest of the Company. The Mechanism also provides for adequate safeguards against victimization of persons who uses such mechanism. The mechanism provide direct access to the chairperson/chairman of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website. The Company has a dedicated e-mail address i.e. whistleblowernpfl@owmnahar.com for reporting the genuine concerns.

The Audit Committee regularly review the working of the Mechanism. No complaint was received during the year under review.

GREEN INITIATIVE

The Ministry of Corporate Affairs(MCA) vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.