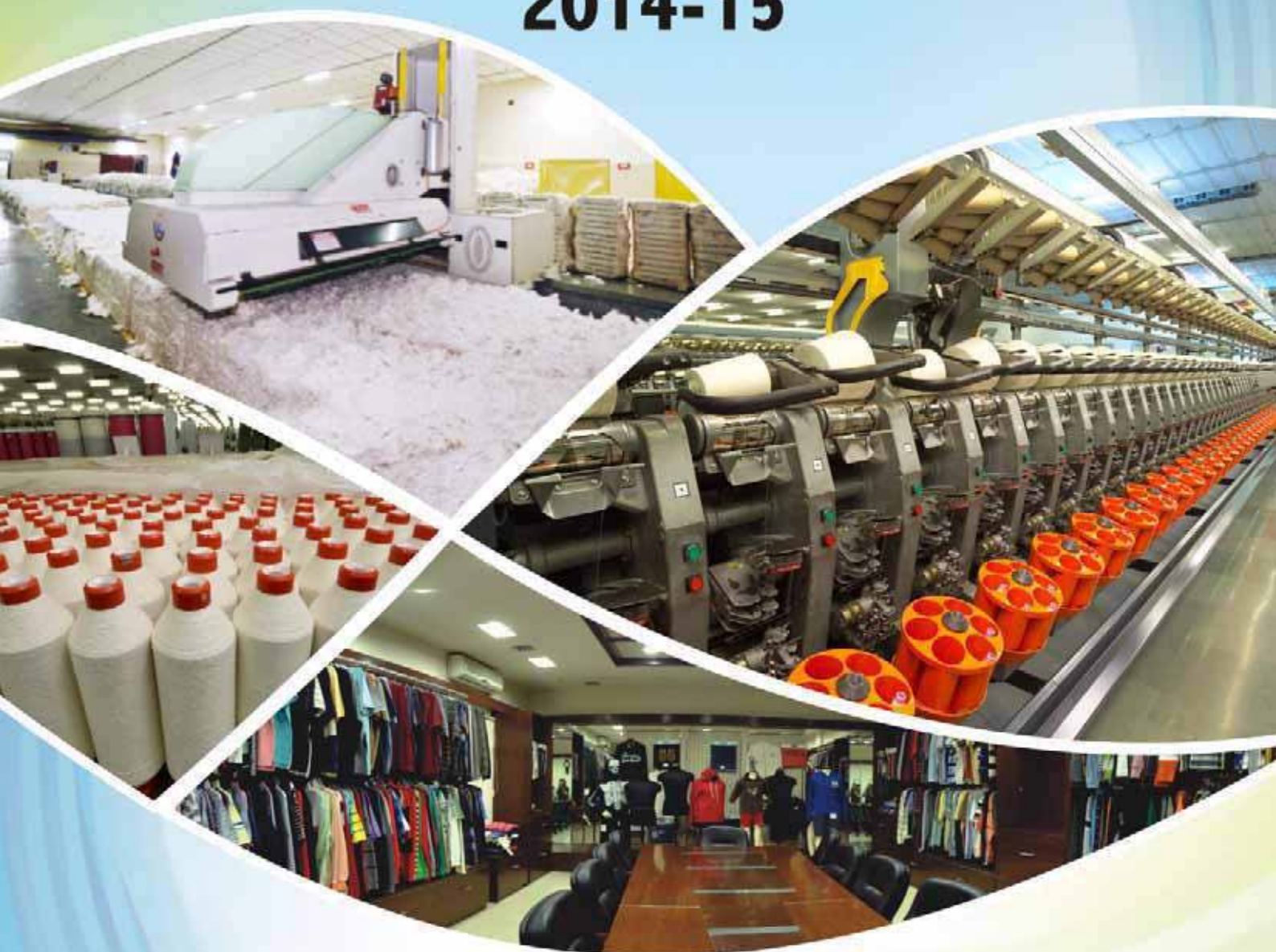




The Nahar Group

# 35<sup>th</sup> ANNUAL REPORT

## 2014-15



**Nahar** SPINNING MILLS LIMITED



## BOARD OF DIRECTORS

### Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal  
Sh. Kamal Oswal  
Sh. Dinesh Gogna  
Sh. Satish Kumar Sharma  
Dr. (Mrs.) H.K. Bal  
Prof. Kanwar Sain Maini  
Dr. Suresh Kumar Singla  
Dr. Amrik Singh Sohi  
Dr. Yash Paul Sachdeva

### Chairman

Managing Director  
Director  
Director  
Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director

### CHEIF FINANCIAL OFFICER

Sh. Anil Garg

### FINANCIAL CONTROLLER

Sh. P. K. Vashishth

### COMPANY SECRETARY

Sh. Brij Sharma

### AUDITORS

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

<b>PRINCIPAL BANKERS</b>	:	Punjab National Bank, State Bank of India
<b>REGD. OFFICE</b>	:	373, Industrial Area- 'A', Ludhiana-141 003
<b>WORKS</b>	:	427, Industrial Area - 'A', Ludhiana (Punjab) Dhandari Kalan, G.T. Road, Ludhiana (Punjab) Village Simrai, Mandideep, Distt. Raisen (M.P.) Village Lalru and Lehli, Distt. S.A.S. Nagar (Punjab) Village Jalalpur, Distt. S.A.S. Nagar (Punjab) Rishab Spinning Mills, Village Jodhan, Distt. Ludhiana Nahar Fibres, Jitwal Kalan, Malerkotla, Distt. Sangrur

### 35th ANNUAL GENERAL MEETING

Day	:	Wednesday
Date	:	30th September, 2015
Time	:	11.30 A.M.
Place	:	At the Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

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# Save Tree Save Earth

## *Green Initiative*

*The Ministry of Corporate Affairs (MCA) 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.*

*Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e- mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at:-secnsm@owmnahar.com or gredressalnsml@owmnahar.com.*

*We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.*

**NOTICE**

Notice is hereby given that the **Thirty Fifth Annual General Meeting** of the members of **NAHAR SPINNING MILLS LIMITED** will be held on **Wednesday, 30<sup>th</sup> Day of September, 2015 at 11:30 A.M.** at the premises of M/s Nahar Industrial Enterprises Limited, Focal point, Ludhiana to transact the following business:

**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 declare dividend on Equity Shares.
3. To appoint a director in place of Mr. Dinesh Gogna (DIN 00498670), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Kamal Oswal (DIN 00493213), who retires by rotation and being eligible offers himself for re-appointment.
5. 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 (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 Director of the Company."

**SPECIAL BUSINESS:**

6. 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) for the time being in force, consent and approval of the members be and is hereby accorded for the payment of remuneration of Rs. 1.50 Lacs (Rupees One Lakh

Fifty Thousand Only) to M/s. Ramanath Iyer & Co., Cost Accountants (Membership No. 000019), appointed as Cost Auditors 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 authorised to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution".

**BY ORDER OF THE BOARD**

**BRIJ SHARMA**

**DATED: 5th August, 2015 (Company Secretary)**

**Regd. Office:**

**373, Industrial Area-A,  
Ludhiana-141003**

**CIN: L17115PB1980PLC004341**

**E-mail: secnsm@owmnahar.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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The statement pursuant to Section 102(1) of 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 Members and Share Transfer Register of the Company shall remain closed from 12<sup>th</sup> September, 2015 to 22<sup>nd</sup> September, 2015 (both days inclusive).
6. 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 in Register of members as on 11<sup>th</sup> September, 2015 or Register of beneficial owners, maintained by the Depositories at the close of 11<sup>th</sup> September, 2015.
7. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends up to the financial year 2006-07 has been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2007-08 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.
8. The bank Account particulars of the members will be printed on the dividend warrants. 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 373, Industrial Area-A, Ludhiana – 141 003.  
Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 11<sup>th</sup> 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. The documents referred to in 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.
11. Electronic copy of the Annual Report for the year 2014-2015 is being sent to all the members whose email Ids are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report

is being sent in the permitted mode.

Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

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 relevant information ready.
13. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13)
14. The information required to be provided under clause 49 of the Listing Agreement entered into with the Stock Exchanges, regarding the Directors who are proposed to be re-appointed is given hereunder and form part of the Notice.
15. 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.
16. 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 providing facility for voting by electronic means and the business contained in this Notice shall be transacted through such voting. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electronically.
17. Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the Company's website i.e. [www.ownnahar.com](http://www.ownnahar.com). The above said Notice will also be available on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com).
18. The facility for voting via ballot or polling paper shall also be made available at the meeting and the 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 27<sup>th</sup> September, 2015 (9:00 A.M.) and ends on 29<sup>th</sup> September, 2015 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off





date, Wednesday, 23<sup>rd</sup> 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](http://www.evotingindia.com).
3. Click on "Shareholders" tab.
4. Now enter 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](http://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"> <li>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.</li> <li>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</li> </ul>
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"> <li>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).</li> </ul>

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 SPINNING MILLS 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 option 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 print of the voting done by you by clicking on "Click here to print" option on the Voting page.
17. If Demat account holder has forgotten the changed 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.) and Custodian are required to log on to [www.evotingindia.com](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - c) After receiving the login details, a 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](mailto: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, 23<sup>rd</sup> September, 2015 may follow the same instructions as mentioned above for e-Voting.
20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to:  
[helpdesk.evoting@cdslindia.com](mailto: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. Brij Sharma  
Company Secretary and Compliance Officer  
373, Industrial Area-A, Ludhiana - 141003  
0161-2665000  
[secnsm@owmnahar.com](mailto:secnsm@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 cut off date.
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 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 total votes cast in the favour or against, if any, forthwith to the Chairman of the Company.
25. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.owmnahar.com](http://www.owmnahar.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.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 35th 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 for information purposes 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 under Item No. 6 of the accompanying Notice:

##### **ITEM NO. 6**

As per the provisions of Companies (Cost Records and Audit) Amendment Rules, 2014 notified by MCA vide its Notification dated 31<sup>st</sup> December, 2014, Company's activities fall within the purview of Cost Audit requirement. Accordingly the Board, at its meeting held on 30th May, 2015 on the recommendation of Audit Committee approved the appointment and remuneration of Rs. 1.50 Lacs (Rupees One Lakh Fifty Thousand only) of M/s Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for conducting the 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 Auditors) 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 being sought for the payment of remuneration to M/s. Ramanath Iyer & Co., Cost Accountants(Firm Registration No. 000019).

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

The Board recommends the Resolution for your approval.

**Information pursuant to Corporate Governance Clause of the 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:

<b>1. Name</b>	<b>: Mr. Dinesh Gogna</b>
Age	: 62 Years
Qualification	: B.A., LL.B.
Expertise	: Having more than 38 years of experience in Corporate Finance and Taxation.
Shareholding	: Nil

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

Name of the Company	Committee	Status
1. Nahar Poly Films Ltd.	Audit	Member
2. Oswal Woollen Mills Ltd.	Audit	Member
	Shareholders	Member
3. Monte Carlo Fashions Ltd.	Audit	Member
	Stakeholders	Chairman
	Relationship	
	Nomination & Remuneration	Member
4. Girnar Investments Ltd.	-	-
5. Oswal Leasing Limited	-	-
6. Nahar Industrial Enterprises Limited	Audit	Member
	Stakeholders	Chairman
	Relationship	
7. Nahar Capital & Financial Service Ltd.	-	-
8. Crown Star Ltd. (U.K.)	-	-
9. Cotton County Retail Ltd.	-	-

<b>2. Name</b>	<b>: Mr. Kamal Oswal</b>
Age	: 53 Years
Qualification	: Commerce Graduate
Expertise	: Having more than 33 years experience in Textile and Woollen Industry.
Shareholding	: 24750

Mr. Jawahar Lal Oswal is father of Mr. Kamal Oswal and Mr. Dinesh Oswal. Mr. Kamal Oswal and 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 Industrial Enterprises Ltd.	Stakeholders Relationship	Member
2. Oswal Woollen Mills Ltd.	-	-
3. Nahar Poly Films Ltd.	-	-
4. Nahar Industrial Infrastructure Corporation Ltd.	-	-
5. Cotton County Retail Ltd.	Nomination & Remuneration	Chairman
6. Oswal Leasing Ltd.	-	-
7. Sankheshwar Holdings Co. Ltd.	-	-
8. Nahar Capital & Financial Services Ltd.	-	-
9. Vardhman Investment Ltd.	-	-
10. Crown Star Ltd. (U.K.)	-	-
11. Neha Credit and Inv. (P) Ltd.	-	-
12. Abhilash Growth Fund (P) Ltd.	-	-
13. Nahar Growth Fund (P) Ltd.	-	-

**BY ORDER OF THE BOARD**

**BRIJ SHARMA**

(Company Secretary)

**DATED: 5th August, 2015**

**Regd. Office:**

**373, Industrial Area-A,  
Ludhiana-141003**

**CIN: L17115PB1980PLC004341**

**E-mail: secnsm@owmnahar.com**



**DIRECTORS REPORT**

Dear Members,

Your Directors have pleasure in presenting the **THIRTY FIFTH 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 is summarised below:

(Rs. In crores)		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>Profit for the year before TAX &amp; DEPRECIATION</b>	<b>145.40</b>	292.66
Less: Depreciation	130.56	88.16
Provision for Taxation	3.35	43.25
Provision for Deferred Tax	-8.88	15.50
	<b>125.03</b>	146.91
<b>Profit/Loss after tax</b>	<b>20.37</b>	145.75
Adjustment of Income Tax of Earlier years	0.16	0.45
<b>Amount available for appropriation</b>	<b>20.21</b>	145.30
<b>APPROPRIATION</b>		
Proposed Dividend	3.61	3.61
Tax on Distributed profits	0.73	0.61
Transfer to General Reserve	15.00	90.00
Balance at the end	0.87	51.08
	<b>20.21</b>	145.30

**OPERATIONAL REVIEW AND STATE OF AFFAIR**

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

First of all we would like to inform you that Company's expansion cum modernization project has been completed during the year. After the said expansion, Company's spindlage capacity stands increased to 5 Lakh (Approx.) spindles and 1080 Rotors. Thus your Company has positioned itself as one of the leading integrated Textile player to reap the benefits of economies of scale.

During the year under review, your Company performed reasonably well, in spite of a challenging year for the Textile Industry. The Company achieved a total income of Rs. 2160.91 crores as against Rs. 2211.15 crores showing a marginal fall. The company achieved an export turnover of 1393.20 crores which constitutes 64.81% of the revenue of the Company. The Company's excellent export performance has also been recognised by the TEXPROCIL by awarding Silver Trophy for highest export of Yarns (50s & below) for the year 2013-14.

However the Company's financial performance was severely affected because of lack luster global demand, volatility in the exchange rates and very thin margins and the Company could earn a Profit (before tax and

depreciation) of Rs.145.40 crores as against Rs. 292.66 crores in the previous year. The depreciation for the year has also risen to Rs. 130.56 crores as against Rs. 88.16 crores in the previous year because of change in the method of depreciation which is on the basis of useful life of the assets as specified under Schedule II of the Act. The said change in depreciation, affected company's profitability during the year. The company earned a Profit before tax of Rs.14.84 Crores. After providing for taxation of Rs. 3.35 crores and adjustment of deferred tax of Rs. -8.88 crores, the Company earned a net profit of Rs. 20.37 crores during the year.

**TRANSFER TO RESERVE**

After appropriations of profit as per the detail hereinabove, an amount of Rs. 15.00 crores has been transferred to General Reserve thereby increasing Company's Reserves to Rs. 465.58 crores as on 31<sup>st</sup> March, 2015.

**DIVIDEND**

Your Directors are pleased to recommend a dividend @ 20% (i.e. Re. 1 per equity shares of Rs. 5/- each) on paid up share capital for the year ended 31st March 2015.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of the profits of the company to all those shareholders whose names shall appear in the Register of Members on 11th September, 2015 or Register of Beneficial Owners, maintained by the Depositories as at the close of 11th September, 2015.

**INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to Section 205C of the Companies Act, 1956 the Company has transferred an amount of Rs. 2672519.00 (Rupees Twenty Six Lakh Seventy Two Thousand Five Hundred Nineteen only) being the amount of unclaimed dividend for the year 2006-2007 to the Investor Education and Protection Fund. Further, unpaid dividend for the year 2007-08 shall 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. Dinesh Gogna (00498670) 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 re-appointment to the members of



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

Further the Board appointed Mr. Anil Kumar Garg, who is a qualified Chartered Accountant, having Membership No. 83312 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. Dinesh Oswal, Managing Director and Sh. Brij Sharma, 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 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 has 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 held their meeting on 15<sup>th</sup> 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 Independent Directors are provided with copies of all policies/Guidelines as framed by the Company under various statutes and Listing Agreement to familiarize with Company's procedure and practices. Further, to update them on the regular basis, the Company provide 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 is posted on the website of the Company and can be assessed at:

<http://www.ownahar.com/nsml/>

#### **BOARD MEETINGS**

During the year under review, the Board of Directors met four times i.e. 29<sup>th</sup> May, 2014, 11<sup>th</sup> August, 2014, 12<sup>th</sup> November, 2014 and 3<sup>rd</sup> 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 & Exports of Yarns and knitted garments. Because of nature of Industry, sometimes sale/ purchase/ fabrication job transactions takes place between the Group Companies (which are public limited companies), in the ordinary course of business at Arm's length basis. The Company has not entered into any contract or arrangement with the 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