

Regd. Office & Corporate Office : 373, Industrial Area-A, LUDHIANA - 141 003 (INDIA)  
Phones : +91-161-2600701 to 705, 2606977 to 980 Fax : +91-161-2222942, 2601956  
E-mail : secnsm@owmnahar.com Web Site : www.owmnahar.com  
CIN No. : L17115PB1980PLC004341 GST No. : 03AAACN5710D1Z6

NSML/SD/2024-25/

AUGUST 21, 2024

The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (E) <u>MUMBAI – 400 051</u>	The BSE Limited 25th Floor, P.J. Tower, Dalal Street, Mumbai <u>MUMBAI – 400 001</u>
SYMBOL: NAHARSPING	SCRIP CODE: 500296

**SUB: ANNUAL REPORT 2023-24**

Dear Sir/Madam,

Pursuant to the requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, please find enclosed herewith Annual Report of the Company for the Financial Year 2023-24.

The same has also been uploaded on Company's website i.e. [www.owmnahar.com](http://www.owmnahar.com).

This is for the information of the general public as well as members of the Exchange.

Thanking you,

Yours faithfully,  
**For NAHAR SPINNING MILLS LIMITED**

Brij  
Sharma

Digitally signed  
by Brij Sharma  
Date:  
2024.08.21  
14:34:32 +05'30'



**(BRIJ SHARMA)**  
**COMPANY SECRETARY**

**M. No.F2458**  
Encl. As above

**Gurugram Office :**

Flat No. 22-B, Sector-18, Gurugram - 120 015

Ph. : +91-124-2430532, 2430533

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E-mail : delhi@owmnahar.com



The Nahar Group

# 44th ANNUAL REPORT 2023-24



**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. Manisha Gupta  
Dr. Vijay Asdhir  
Dr. Roshan Lal Behl  
Dr. Yash Paul Sachdeva  
Dr. Anchal Kumar Jain

## Chairman

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

## CHIEF FINANCIAL OFFICER

Sh. Anil Garg

## G.M. (FINANCE)

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.

## REGISTRAR & SHARE TRANSFER AGENT

M/s Alankit Assignments Limited  
Alankit House, 4E/2,  
Jhandewalan Extension  
New Delhi - 110 055.

**PRINCIPAL BANKERS** : Punjab National Bank, State Bank of India  
**REGD. OFFICE** : 373, Industrial Area- 'A', Ludhiana-141 003  
**WORKS** : 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

## 44th ANNUAL GENERAL MEETING

Day : Wednesday  
Date : 25<sup>th</sup> September, 2024  
Time : 10.00 A.M.  
Mode : Video Conference (VC) or other  
Audio Visual Means (OAVM)

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE **44<sup>th</sup> ANNUAL GENERAL MEETING (AGM)** of the members of **NAHAR SPINNING MILLS LIMITED ('the Company')** will be held on **Wednesday, the 25<sup>th</sup> day of September, 2024 at 10.00 A.M** through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities & Exchange Board of India in this regard, to transact the following businesses:

**ORDINARY BUSINESS:****ITEM NO. 1 – ADOPTION OF FINANCIAL STATEMENTS**

To consider and adopt the Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the Reports of the Board of Directors and Auditors thereon.

**ITEM NO: 2 –DECLARATION OF DIVIDEND**

To declare a Dividend of Rs. 1.00/- per Equity Share of Rs. 5/- each on Equity Share Capital for the financial year ended 31<sup>st</sup> March, 2024.

**ITEM NO: 3 – APPOINTMENT OF MR. JAWAHAR LAL OSWAL (DIN: 00463866) AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION**

To appoint a Director in place of Mr. Jawahar Lal Oswal (DIN: 00463866) in terms of Section 152(6) of the Companies Act, 2013, who retires by rotation and being eligible, offers himself for re-appointment.

**ITEM NO: 4 – APPOINTMENT OF MR. SATISH KUMAR SHARMA (DIN: 00402712) AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION**

To appoint a director in place of Mr. Satish Kumar Sharma (DIN: 00402712) in terms of Section 152(6) of the Companies Act, 2013, who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****ITEM NO: 5 - RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY**

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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors M/s. Ramanath Iyer & Co. (Firm Registration No. 000019), New Delhi appointed by the Board to conduct the audit of the Cost Records of the Company for the financial year 2024-25 at a remuneration of Rs. 2.05 Lakhs (Rupees Two Lakhs Five Thousand Only) plus applicable taxes and

reimbursement of out of pocket expenses incurred, be and is hereby ratified.”

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

**ITEM NO.6 – TO APPROVE THE PAYMENT OF ADVISORY FEE TO MR. JAWAHAR LAL OSWAL, NON-EXECUTIVE DIRECTOR/CHAIRMAN OF THE COMPANY**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the recommendation of Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company, consent and approval of the members of the Company, be and is hereby accorded for the payment of advisory fee @0.50% of Export Sales of the Company, to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company (DIN: 00463866) for a period of three years w.e.f. 1<sup>st</sup> October, 2024 to 30<sup>th</sup> September, 2027, in addition to sitting fees for attending the meetings of the Board of Directors as approved by the Board of Directors for Non-Executive Directors of the Company.”

**“RESOLVED FURTHER THAT** the said amount will be paid to Mr. Jawahar Lal Oswal even if it exceeds one percent of the net profits of the Company in accordance with Section 197 and 198 of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof.”

**“RESOLVED FURTHER THAT** wherein any financial year, the Company has no profits or its profits are inadequate, the Company may pay Mr. Jawahar Lal Oswal, the said amount as Minimum Remuneration for a period not exceeding 3 (three) years or such other period as may be statutorily permitted subject to the requisite approvals, if any.”

**“RESOLVED FURTHER THAT** pursuant to Regulation 17(6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent and approval of the members of the Company, be and is hereby accorded for above payment to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company, in the



eventuality of it exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors, for the financial year 2024-25.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and are hereby authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution.”

**ITEM NO.7 – TO APPROVE THE PAYMENT OF MINIMUM REMUNERATION TO MR. DINESH OSWAL, MANAGING DIRECTOR IN CASE OF NO PROFITS OR INADEQUACY OF PROFITS**

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in continuation to Shareholders Special Resolution dated 29<sup>th</sup> September, 2021 and on the recommendation of Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company, consent and approval of the members of the Company, be and is hereby accorded for the payment of Remuneration to Mr. Dinesh Oswal, Managing Director of the Company, (DIN : 00607290) as approved by the Shareholders vide their Special Resolution dated 29<sup>th</sup> September, 2021, as minimum remuneration in case of no profits or inadequacy of profits in any financial year during the period of two (2) years commencing from January 1, 2025 till the expiry of his current term i.e. upto December 31, 2026.”

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

**BY ORDER OF THE BOARD**

**Dated: 12<sup>th</sup> August, 2024**  
**REGISTERED OFFICE:** **BRIJ SHARMA**  
**373, Industrial Area-A, (COMPANY SECRETARY)**  
**Ludhiana -141003 (India)** **Mem. No. FCS 2458**  
**CIN: L17115PB1980PLC004341**  
**E-mail: secnsm@owmnahar.com**

**NOTES:**

1. **The Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/2020 dated May 05, 2020,**

**read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated September 25, 2023 (referred to as “MCA Circulars”) has permitted to conduct the Annual General Meeting through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”) upto September 30, 2024. In compliance with aforesaid MCA Circulars, the 44<sup>th</sup> Annual General Meeting will be held through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of the Members at a common venue. Members can attend and participate in the ensuing AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 25. The 44<sup>th</sup> AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.**

2. The venue of the Meeting shall be deemed to be the Registered Office of the Company.
3. The Explanatory 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. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, 2013, body corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In line with the MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023, the Notice calling the AGM alongwith Annual Report for the year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2023-24 has been uploaded on the website of the Company at [www.owmnahar.com](http://www.owmnahar.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the



Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com). However, hard copy of full annual report will be sent to the shareholder who request for the same.

7. The Register of Members and Share Transfer Register of the Company shall remain closed from 7<sup>th</sup> September, 2024 to 12<sup>th</sup> September, 2024 (both days inclusive) for the purpose of equity dividend for the year ended 31<sup>st</sup> March, 2024.

8. 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 subject to deduction of tax at source, whose names shall appear in Register of Members as on 6<sup>th</sup> September, 2024 or Register of Beneficial Owners, maintained by the Depositories at the close of 6<sup>th</sup> September, 2024.

Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend income is taxable in the hands of members and the Company is required to deduct tax at source (TDS) from the dividend payable to the members at the prescribed rates as per the Income Tax Act, 1961. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, in accordance with the provisions of the IT Act.

9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

10. In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Jawahar Lal Oswal (DIN: 00463866) and Mr. Satish Kumar Sharma (DIN: 00402712), Non-Executive Directors, retire by rotation at this Meeting and offer themselves for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend their respective re-appointments.

11. The relevant information under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, regarding the Directors who are proposed to be appointed/re-appointed, is given hereto and form part of the Notice.

12. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividend upto the financial year 2015-16 has been transferred to Investor Education and Protection Fund. Further, unpaid dividend for the year 2016-17 is to be transferred to Investor Education and Protection Fund in November, 2024. Shareholders who have not encashed their dividend warrants relating to said period are requested to claim the amount from the Company at the earliest.

13. Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the shares in respect of which dividend remained unclaimed or unpaid for a period of seven consecutive years or more to the demat account of IEPF Authority as per applicable Rules. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: [http://www.owmnahar.com/spinning/pdf/pertaining-to-fy-\(2015-16\).pdf](http://www.owmnahar.com/spinning/pdf/pertaining-to-fy-(2015-16).pdf). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

14. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://www.mca.gov.in> or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority.

15. As per Regulation 40 of SEBI (LODR) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form.

In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent: M/s. Alankit Assignments Limited for assistance in this regard.

**16. ELECTRONIC CREDIT OF DIVIDEND:** SEBI has made it mandatory for all the Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically.



The Company provides the facility of paying dividend through Electronics Clearing System (ECS). The members are requested to ensure that their correct bank details alongwith 9 digit MICR code of their Bank is updated in the records of the Depository Participant (DP) for electronic credit of dividend. Members, who hold the shares in physical form, should contact the Registrar & Transfer Agent or the Company in this regard. In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details to their DP in case of electronic holding and to the Registrar & Transfer Agent or the Company in case of physical holding.

Further, the shareholders holding shares in physical form may kindly note that SEBI vide its various circulars has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. Hence, shareholders are requested to update your above mentioned details with the Company at the earliest in order to avoid any delay in receipt of dividend.

17. To avail the facility of nomination, Members holding shares in physical are requested to send us duly filled and signed Nomination Form (Form No. SH-13) to the Company's RTA. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DP.
  18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent: M/s. Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated Letter of entitlement will be issued to such Members after making requisite changes.
  19. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  20. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated for furnishing/ updating PAN, KYC details (Address, Mobile No., E-mail ID, Bank Details) and Nomination details by all the holders of physical securities in listed company in the prescribed forms i.e. ISR-1, ISR-2, SH-13/ISR-3/SH-14.  
Communication in this regard has been sent to all physical holders whose folios are not KYC updated
- at the latest available address/email-id. Members are again requested to forward the duly filled in Forms along with the related proofs to the Company at its Registered Office at 373, Industrial Area-A, Ludhiana – 141 003 or Registrar and Transfer Agent at M/s. Alankit Assignments Limited, Unit: Nahar Spinning Mills Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055. The aforesaid forms can be downloaded from the website of the Company at [http://www.ownahar.com/spinning/kyc\\_updation.php](http://www.ownahar.com/spinning/kyc_updation.php)
21. As an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has decided that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for: 1. Issue of duplicate securities certificate; 2. Claim from Unclaimed Suspense Account; 3. Renewal / Exchange of securities certificate; 4. Endorsement; 5. Sub-division / Splitting of securities certificate; 6. Consolidation of securities certificates/folios; 7. Transmission; 8. Transposition. Therefore, Members are requested to kindly get their shares dematerialised at the earliest.
  22. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection in electronic mode during the AGM. All other documents referred to in the Notice will be available for inspection in electronic mode without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. September 25, 2024. Members seeking to inspect such documents can send an email to [secnsm@ownahar.com](mailto:secnsm@ownahar.com).
  23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system



on the date of the AGM will be provided by CDSL.

**24. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:**

1. **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [secnsm@ownnahar.com](mailto:secnsm@ownnahar.com) or [rtalankit.com](mailto:rtalankit.com).
2. **For Demat shareholders** - please update your email id & mobile no. with your respective Depository Participant (DP).
3. **For Individual Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**25. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVMAREAS UNDER:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 22<sup>nd</sup> September, 2024 (9:00 a.m.) and ends on 24<sup>th</sup> September, 2024 (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 (record date) of 18<sup>th</sup> September, 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The members who have voted through remote e-voting will be eligible to attend the AGM but they will not be entitled to vote at the AGM.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all

shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, **Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and New System Myeasi Tab.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting</li></ol>





	<p>is in progress as per the information provided by company. On clicking the E-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provider i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL:<a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once</p>

	<p>the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method of e-Voting and joining virtual AGM for **Physical Shareholders & shareholders other than individual shareholders holding in demat**



form.

- a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b. Click on "Shareholders" module.
- c. Now Enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. 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.
- f. If you are a first time user follow the steps given below:

	<b>For Physical Shareholders and other than individual shareholders holding shares in demat</b>
PAN	Enter your 10 digit alpha-numeric <ul style="list-style-type: none"> <li>• PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	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. <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 (v).</li> </ul>

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. 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 also 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.

- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - j. **Click on the EVSN for NAHAR SPINNING MILLS LIMITED i.e. 240813021 to vote.**
  - k. 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.
  - l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - m. 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.
  - n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - p. If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - q. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (vi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- 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 in the "Corporates" module.
  - 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).
  - 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.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and 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.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at bathla7@gmail.com and to the Company at secnsm@owmnaahar.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (vii) 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. 18<sup>th</sup> September, 2024 may follow the same instructions as mentioned above for e-Voting.
- (viii) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you may write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 21 09911.

- (ix) 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  
CIN: L17115PB1980PLC004341  
Phone: 0161-2600701 to 705  
E-mail: secnsm@owmnaahar.com

## **26. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING AGM ARE AS UNDER:**

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the

instructions mentioned above for Remote e-voting.

- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secnsm@owmnaahar.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secnsm@owmnaahar.com. These queries will be replied to by the company suitably by email.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**Other instructions:**

27. 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.
28. The Company has appointed Mr. P.S. Bathla, Practising Company Secretary (Membership No. FCS 4391), to act as the Scrutinizer to the e-voting process i.e. votes cast during the AGM and votes cast through remote e-voting, in a fair and transparent manner.
29. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within two working days of the conclusion of the AGM.
30. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.ownahar.com](http://www.ownahar.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges.
31. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 44<sup>th</sup> Annual General Meeting i.e. 25<sup>th</sup> September, 2024.
32. A person who is not a Member as on the cut off date i.e. 18<sup>th</sup> September, 2024 should treat this Notice for information purposes only.

**EXPLANATORY 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. 5 to Item No.7 of the accompanying Notice:

**ITEM NO. 5**

As per the provisions of Companies (Cost Records and Audit) Rules, 2014, as amended Company's activities fall within the purview of Cost Audit requirement. Accordingly, the Board at its meeting held on 29<sup>th</sup> May, 2024 on the recommendation of Audit Committee, approved the appointment of M/s Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) at a remuneration of Rs. 2.05 Lakhs (Rupees Two Lakhs Five Thousand only) plus applicable taxes and Reimbursement of Out of pocket expenses incurred for conducting the Cost Audit of the Cost records of the Company for the financial year 2024-25.

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 Auditors, as recommended by the Audit Committee and approved by

the Board of Directors has to be ratified by the shareholders of the Company.

Accordingly, consent and approval of the shareholders is being sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for financial year 2024-25.

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

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the members.

**ITEM NO. 6**

Mr. Jawahar Lal Oswal has been associated with the company as Director/Chairman since 1992. Since then, the Company has been utilizing his textiles knowledge, business experience and leadership without any consideration. To give due recognition to his expert advice and guidance which is of professional nature, the Board, on the recommendation of Nomination and Remuneration Committee and Audit Committee has decided, subject to the approval of Members at the ensuing Annual General Meeting to pay to Mr. Jawahar Lal Oswal an amount @0.50 per cent of export sales for a period of three years from 1<sup>st</sup> October, 2024 to 30<sup>th</sup> September, 2027. In addition to the said payment, Mr. Jawahar Lal Oswal shall continue to be entitled to payment of sitting fees for attending the meetings of the Board of Directors, as approved by the Board of Directors for Non-Executive Directors of the Company.

The said payment will be paid to Mr. Jawahar Lal Oswal even if it exceeds one percent of the Net Profits of the Company in accordance with Section 197 and 198 of the Companies Act, 2013.

Wherein any financial year during his directorship, the Company has no profits or its profits are inadequate, the Company may pay the above payment to Mr. Jawahar Lal Oswal, as the minimum amount for a period not exceeding 3 (three) years as may be permitted subject to the requisite approvals, if any.

Further, pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company, is also being sought for above payment to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company, in the eventuality of it exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors, for the financial year 2024-25.

**Listed Companies (other than Nahar Spinning Mills Limited) in which Sh. Jawahar Lal Oswal holds Directorship of Board, Chairmanship and**

**Membership of Board Committees as on 31<sup>st</sup> March, 2024:****Directorship of Board:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Chairman/ Managing Director
2	Nahar Capital and Financial Services limited	Director/Chairman
3	Nahar Poly Films Limited	Director/Chairman
4	Nahar Industrial Enterprises Limited	Director/Chairman

**Chairmanship of Board Committees:** Nil**Membership of Board Committees:** Nil**Shareholding in the Company:** He holds 90374 Equity Shares of Rs.5/- each**Disclosure of relationship between Directors inter-se:** Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal, Director and Mr. Dinesh Oswal, Managing Director of the company and Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers.

Mr. Jawahar Lal Oswal may be deemed to be concerned or interested in the aforesaid resolution. Mr. Dinesh Oswal, Managing Director and Mr. Kamal Oswal, Director of the company, being relatives of Mr. Jawahar Lal Oswal may be deemed to be concerned or interested in the aforesaid resolution. The other relatives of Mr. Jawahar Lal Oswal may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the company.

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

The Board recommends the Special Resolution set out at Item No.6 of the accompanying Notice for your approval.

**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013****I. GENERAL INFORMATION:****(1) Nature of Industry**

The Company is mainly engaged in the manufacturing of Yarn and Garments under the main head Textile Industry.

**(2) Date or expected date of commencement of commercial production**

The Company was incorporated on 16<sup>th</sup> December, 1980 and is working since then.

**(3) In case of new companies expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus.**

Not Applicable, as the company is an existing Company operating its Spinning/Garment Plants successfully.

**(4) Financial performance based on the given indicators****(Rs. In lakhs)**

	FY 2023-24	FY 2022-23
<b>Gross Revenue</b>	306556.84	284122.64
<b>Profit/(Loss) before Tax</b>	(5551.92)	15468.25
<b>Net Profit/(Loss) for the period</b>	(5108.42)	11079.25

**(5) Foreign investments or Collaborators, if any**

The Company has not entered into any foreign collaboration and no foreign direct capital investment has been made in the Company.

**II. INFORMATION ABOUT THE APPOINTEE:****(1) Background details**

Mr. Jawahar Lal Oswal is 80 years of age and holds a Bachelor's Degree in Commerce. He has more than 60 years of rich experience in the textile and woollen industry. He is serving as Chairman & Managing Director of M/s. Monte Carlo Fashions Ltd. and holds the position of Chairman on the Board of various other Group Companies.

**(2) Past Remuneration (last two years)****(Amount in Rs.)**

Particulars	Financial year (2023-24)	Financial Year (2022-23)
<b>Salary</b>	-----	-----
<b>Perquisite and Allowances</b>	-----	-----
<b>Advisory fee</b>	9,13,83,539.00	46,006,548.00
<b>Retirement Benefits</b>	-----	-----
<b>Sitting Fees</b>	40,000.00	30,000.00
<b>Total</b>	<b>9,14,23,539.00</b>	<b>4,60,36,548.00</b>

**(3) Recognition or Awards**

Under the dynamic leadership of Mr. Jawahar Lal Oswal, the Company has been awarded several export Awards and trophies by the TEXPROCIL and Apparel Export Promotion Council and the Government of India. The company has awarded **TEXPROCIL Gold Plaque** for Highest Exports of "Processed Yarns" in Category I and **Silver Trophy** for Second Highest Exports of Cotton Yarn- "Counts 50s and below" in Category III for the year 2022-23.

During the financial year 2023-24, company has also been awarded '**Northern Region Export Excellence Award**' by the Hon'ble Minister of State for Commerce & Industry; Consumer Affairs, Food & Public Distribution and Textiles. The company has also been accorded the status of '**Four Star Export House**' by the Government of India, Ministry of Commerce and Industry for a period of five years effective from 23.08.2023 to 23.08.2028 as per Foreign Trade Policy, 2023.

**(4) Job profile and his suitability**

Mr. Jawahar Lal Oswal is a Non-Executive



Director/Chairman of the Company. His association started with the Company as Director of the Company in the year 1992. He was appointed as a Chairman by the Board and is continuing as a Non-Executive Chairman as on date. As a Non-Executive Chairman, Mr. Jawahar Lal Oswal has been serving as mentor for the Board, Managing Director and Senior Management especially in devising export sales and promotion strategies. He provides feedback and counsel to the Managing Director and Senior Management on key issues. He has played a pivotal role in charting the Company's strategy for expanding its operations in the Global Markets. Having regard to his textile knowledge and business experience, he is the best suited person for the job.

**(5) Payment Proposed**

The remuneration proposed has already been given in the Special Resolution at Item No. 6 of the accompanying Notice of Annual General Meeting. However in case of inadequacy of profits, the said remuneration will be paid as minimum remuneration.

**(6) Comparative payment profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Considering the size of the Company, the profile of Mr. Jawahar Lal Oswal and the industry benchmarks, the payment proposed to be paid to him commensurate with the payment being made to persons at similar level in other companies.

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

Mr. Jawahar Lal Oswal belongs to promoter category. He is also a relative to Mr. Dinesh Oswal, Managing Director and Mr. Kamal Oswal, Director of the Company. Besides the payment proposed and sitting fees for attending Board Meeting, Mr. Jawahar Lal Oswal, does not have any other pecuniary relationship with the Company or with the Managerial Personnel.

**III. OTHER INFORMATION:**

**(1) Reasons for loss or inadequate profits**

Textile industry is facing a very difficult and challenging period because of prevailing Geo-Political situation, sharp increase in the prices of raw cotton and waning global demand. This impacted company's performance during the year and the company has suffered a loss of Rs. 51.08 Crores for the year ended 31<sup>st</sup> March, 2024.

**(2) Steps taken or proposed to be taken for improvement**

The management expect that with the improvement

in Global Demand and fall in the prices of raw cotton, things will move for better, for the textile industry. The management is continuously modernizing and upgrading its technology to maintain its core competence and convert it into the competitive edge over others.

**(3) Expected increase in the productivity and profits in the measurable terms.**

Currently, it is not feasible to predict with accuracy the expected increase in the productivity and profits in the measurable term. However with the improvement in the economic activity at the Global and Domestic level, Management expect that the company's profitability will improve in coming periods. With the improvement in business cycle, the textile industry is expected to perform reasonably well in the coming period.

**IV. DISCLOSURES:**

The Company has provided all the disclosures in Corporate Governance Report as required under Section II of Part II of Schedule V of the Companies Act, 2013.

**ITEM NO. 7**

The Shareholders approved the re-appointment of Mr. Dinesh Oswal as Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> January, 2022 at remuneration specified in the Special Resolution, which was approved by them at their meeting held on 29<sup>th</sup> September, 2021.

Presently, textile industry is facing a very difficult and challenging period because of prevailing Geo-Political situation, ongoing conflict in Europe, Middle east and Strained relation among several countries. The Industry is facing the problem of waning demand because of weak environment and prevailing global scenario.

The company has suffered a loss of Rs. 51.08 Crores for the year ended 31<sup>st</sup> March, 2024. The position is still not clear so because of prevailing scenario, shareholders' approval has been sought to pay the remuneration as set out in the special resolution dated September 29, 2021 to Mr. Dinesh Oswal, as the 'Minimum Remuneration' for a period of 2 (two) years commencing from January 1, 2025 till the expiry of his current term i.e. upto December 31, 2026, in case the Company has no profits or its profits are inadequate.

Pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013, in case of no profits or inadequate profits as calculated under section 198 of the Act, the Company may pay remuneration to the managerial person in excess of the ceiling limits as specified in the Schedule V subject to the approval of shareholders by way of Special resolution.

Having regard to above, the Board on the recommendation of Nomination and Remuneration



Committee, Audit Committee hereby seeks your approval for payment of Remuneration to Mr. Dinesh Oswal as already approved by Shareholders on 29<sup>th</sup> September, 2021 vide their Special Resolution as Minimum Remuneration for two years commencing from January 1, 2025 till the expiry of his current term i.e. upto December 31, 2026.

Mr. Dinesh Oswal may be deemed to be concerned or interested in the aforesaid resolution. Mr. Jawahar Lal Oswal, Director/Chairman and Mr. Kamal Oswal, Director, of the company being relatives of Mr. Dinesh Oswal may be deemed to be concerned or interested in the aforesaid resolution. The other relatives of Mr. Dinesh Oswal may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the company.

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

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for your approval.

### **THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013**

#### **I. GENERAL INFORMATION:**

##### **(1) Nature of Industry**

The Company is mainly engaged in the manufacturing of Yarn and Garments under the main head Textile Industry.

##### **(2) Date or expected date of commencement of commercial production**

The Company was incorporated on 16<sup>th</sup> December, 1980 and is working since then.

##### **(3) In case of new companies expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus.**

Not Applicable, as the company is an existing Company operating its Spinning/Garment Plants successfully.

##### **(4) Financial performance based on the given indicators**

	(Rs. in Lakhs)	
	FY 2023-24	FY 2022-23
<b>Gross Revenue</b>	306556.84	284122.64
<b>Profit/(Loss) before Tax</b>	(5551.92)	15468.25
<b>Net Profit/(Loss) for the period</b>	(5108.42)	11079.25

##### **(5) Foreign investments or Collaborators, if any**

The Company has not entered into any foreign collaboration and no foreign direct capital investment has been made in the Company.

## **II. INFORMATION ABOUT THE APPOINTEE:**

### **(1) Background details**

Mr. Dinesh Oswal is 59 years of age. He is commerce graduate and is having more than 40 years of business experience in textile industry and financial matters. He is also a Managing Director of M/s. Nahar Capital and Financial Services Limited.

### **(2) Past Remuneration (last two years) (Amount in Rs.)**

Particulars	Financial year (2023-24)	Financial Year (2022-23)
<b>Salary</b>	14,88,70,023.00	13,93,52,705.00
<b>Perquisite and Allowances</b>	-----	-----
<b>Commission/bonus</b>	-----	3,32,00,000.00
<b>Retirement Benefits</b>	-----	-----
<b>Total</b>	14,88,70,023.00	17,25,52,705.00

*Note: Mr. Dinesh Oswal was paid remuneration during the year 2023-24 and 2022-23 as approved by the Shareholders vide their Special Resolution dated September 29, 2021.*

### **(3) Recognition or Awards**

Under the able & dynamic leadership of Sh. Dinesh Oswal, Managing Director, Company has been awarded several export Awards and trophies by the TEXPROCIL and Apparel Export Promotion Council and the Government of India. The company has awarded **TEXPROCIL Gold Plaque** for Highest Exports of "Processed Yarns" in Category I and **Silver Trophy** for Second Highest Exports of Cotton Yarn-"Counts 50s and below" in Category III for the year 2022-23.

During the financial year 2023-24, company has also been awarded '**Northern Region Export Excellence Award**' by the Hon'ble Minister of State for Commerce & Industry; Consumer Affairs, Food & Public Distribution and Textiles. The company has also been accorded the status of '**Four Star Export House**' by the Government of India, Ministry of Commerce and Industry for a period of five years effective from 23.08.2023 to 23.08.2028 as per Foreign Trade Policy, 2023.

### **(4) Job profile and his suitability**

Mr. Dinesh Oswal was reappointed as Managing Director of the company by the members for a period of five years w.e.f. 1<sup>st</sup> January, 2022, vide their resolution dated 29<sup>th</sup> September, 2021. He is overall responsible for operations of the Company under the supervision of the Board of Directors. He is having more than 40 years of experience in Textile Industry. Mr. Dinesh Oswal joined the Company as Director, in the year 1985. Under his able and dynamic leadership, Company has become one of the largest integrated Spinning Mills of the Country. The



Company's Operating income which was 153 million in the year 1985 has risen to Rs. 30656 Million in the year 2024. Likewise exports has also risen to Rs. 1625.16 Crores for the year ended 31<sup>st</sup> March, 2024. Mr. Dinesh Oswal has played a pivotal role in charting the Company's strategy for expanding its operations in the Global as well as Domestic Markets. Having regard to his textile knowledge, Business experience and leadership to the executive team, he is the best suited person for the responsibilities entrusted to him by the Board of Directors.

#### **(5) Remuneration Proposed**

Remuneration proposed is already approved by the Shareholders at their Meeting held on 29<sup>th</sup> September, 2021 by way of Special Resolution. In case of company has no profits or its profit are inadequate, the said remuneration will be paid as 'Minimum Remuneration'. The remuneration approved by the shareholders vide their Special Resolution dated 29<sup>th</sup> September, 2021 is given hereunder:

Salary (Scale)	: Rs.70,00,000.00- 5,00,000.00-90,00,000.00/- per month.
Commission	: 2% of the Net Profit.
Perquisites	: Following perquisites shall be allowed in addition to salary and commission.

#### **i) Housing**

Mr. Dinesh Oswal shall be entitled to House Rent Allowance @50% of the salary.

#### **EXPLANATION**

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962. This shall however be subject to a ceiling of 10% of the salary of Mr. Dinesh Oswal.

**ii) Medical Reimbursement:** Reimbursement of expenses incurred including Insurance premium paid for the medical policy for self and family subject to a ceiling of one month's salary in a year or Five months' salary over a period of Five years.

**iii) Leave Travel Concession:** Leave travel concession for a self and family twice in a year incurred by him.

**iv) Club Fees:** Fees of the club subject to a maximum of five clubs including admission fees and life membership fee.

**v) Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 20000/-.

**vi) Provident Fund and superannuation fund:** Contribution to Provident Fund, Superannuation Fund or Annuity fund in accordance with the rules specified by the Company.

**vii) Gratuity:** Gratuity paid shall not exceed half month's salary for each completed year of service subject to maximum limit as per Payment of Gratuity Act, 1972.

**viii) Leave Encashment:** Encashment of the leave at the end of the tenure, as per rules of the Company.

**ix) Car and Telephone:** Free use of Company's car with Driver for official work, mobile expenses and telephone at residence.

**NOTE:** For the purpose of perquisites stated herein above, family means the spouse, the dependent children, dependent parents of the appointee."

#### **(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Considering the size of the Company, the profile of Mr. Dinesh Oswal, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him commensurate with the remuneration packages paid to persons appointed at similar level in other companies.

#### **(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

Mr. Dinesh Oswal belongs to promoter category. He is also a relative to Mr. J.L. Oswal, Chairman/Director and Mr. Kamal Oswal, Director of the Company. Besides the remuneration proposed, Mr. Dinesh Oswal, does not have any other pecuniary relationship with the Company or with the managerial personnel.

#### **III. OTHER INFORMATION:**

##### **• Reasons for loss or inadequate profits**

Textile industry is facing a very difficult and challenging period because of prevailing Geo-Political situation, sharp increase in the prices of raw cotton and waning global demand. This impacted company's performance during the year and the company suffered a loss of Rs. 51.08 Crores for the year ended 31<sup>st</sup> March, 2024. The situation is still not clear.

##### **• Steps taken or proposed to be taken for improvement**

The management expect that with the improvement in Global Demand and fall in the prices of raw cotton, things will move for better, for the textile industry. The management is continuously modernizing and upgrading its technology to maintain its core competence and convert it into the competitive edge over others.

##### **• Expected increase in the productivity and profits in the measurable terms.**

Currently, it is not feasible to predict with accuracy the





expected increase in the productivity and profits in the measurable term. However with the improvement in the economic activity at the Global and Domestic level, Management expect that the company's profitability will improve in coming periods. With the improvement in business cycle, the textile industry is expected to perform reasonably well in the coming periods.

**IV. DISCLOSURES:**

The Company has provided all the disclosures in Corporate Governance Report as required under Section II of Part II of Schedule V of the Companies Act, 2013.

**Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment/re-appointment:**

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

<b>1. Name</b>	<b>Mr. Jawahar Lal Oswal</b>
<b>Age</b>	80 Years
<b>Qualification</b>	Graduate
<b>Expertise</b>	Having more than 60 years of experience in Corporate Finance and Taxation

**Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Jawahar Lal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31<sup>st</sup> March, 2024:****Directorship of Board:**

<b>Sr. No.</b>	<b>NAME OF THE COMPANY</b>	<b>STATUS</b>
1	Monte Carlo Fashions Limited	Chairman/ Managing Director
2	Nahar Capital and Financial Services limited	Director/Chairman
3	Nahar Poly Films Limited	Director/Chairman
4	Nahar Industrial Enterprises Limited	Director/Chairman

**Chairmanship of Board Committees:**

<b>Sr. No.</b>	<b>NAME OF THE COMPANY</b>	<b>COMMITTEE</b>
1	Monte Carlo Fashions Ltd.	Corporate Social Responsibility Committee

**Membership of Board Committees: Nil****Listed entities from which the Director has resigned****in the past three years: Nil****Shareholding in the Company: 90374 Equity Shares of Rs. 5/- each**

**Disclosure of relationship between Directors inter-se:** Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal and Mr. Dinesh Oswal. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers.

<b>2. Name</b>	<b>Mr. Satish Kumar Sharma</b>
<b>Age</b>	71 Years
<b>Qualification</b>	MBA
<b>Expertise</b>	Having more than 42 years of experience in Corporate Affairs and Marketing

**Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Satish Kumar Sharma holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31<sup>st</sup> March, 2024:****Directorship of Board:**

<b>Sr. No.</b>	<b>NAME OF THE COMPANY</b>	<b>STATUS</b>
1	Nahar Poly Films Limited	Executive Director
2	Nahar Capital And Financial Services Limited	Director

**Chairmanship of Board Committees: Nil****Membership of Board Committees:**

<b>Sr. No.</b>	<b>NAME OF THE COMPANY</b>	<b>COMMITTEE</b>
1	Nahar Capital And Financial Services Limited	Stakeholder's Relationship Committee
2	Nahar Capital And Financial Services Limited	Audit Committee

**Listed entities from which the Director has resigned in the past three years: Nil****Shareholding in the Company: 21425 Equity Shares of Rs.5/- each**

**Disclosure of relationship between Directors inter-se: Nil**

**BY ORDER OF THE BOARD**

Dated: 12<sup>th</sup> August, 2024

**REGISTERED OFFICE:**  
373, Industrial Area-A,  
Ludhiana -141003 (India)

CIN: L17115PB1980PLC004341

E-mail: secnsm@owmnahar.com

**BRIJ SHARMA**  
**(COMPANY SECRETARY)**  
Mem. No. FCS 2458

**DIRECTORS REPORT**

Dear Members,

Your Directors have pleasure in presenting the **Forty-Fourth Annual Report** on the affairs of the Company for the financial year ended 31<sup>st</sup> March, 2024.

**FINANCIAL PERFORMANCE**

Your Company's Financial Performance during the year is summarized below:

(Rs. in Crores)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>Total Income (Operational and Other Income)</b>	<b>3065.57</b>	2841.22
Less: Total Expenses	<b>3121.09</b>	2686.54
<b>Profit/(Loss) before tax and Exceptional Items</b>	<b>(55.52)</b>	154.68
Less: CSR Expenses	<b>5.86</b>	4.34
<b>Profit/(Loss) before tax</b>	<b>(61.38)</b>	150.34
Less: Tax expenses (including deferred tax)	<b>10.30</b>	39.55
<b>Net Profit/(Loss) from continuing operations</b>	<b>(51.08)</b>	110.79

**INDIAN ACCOUNTING STANDARD**

The Company has adopted Indian Accounting Standards (Ind AS) and the financial statements have been prepared as per the Indian Accounting standard Rules, 2015, as prescribed under Section (133) of the Companies Act, 2013 read with relevant Rules issued thereunder and the other Accounting Principles generally accepted in India.

**EXPANSION CUM MODERNISATION**

We are pleased to inform you that Company's expansion plans of 31200 spindles at company's spinning unit at village Lalru, S.A.S Nagar has been completed at a capital outlay of Rs. 2016.18 Crores. Likewise, expansion programme of 768 Airjet Spindles has also been completed at capital outlay of Rs. 98 Crores. Further, Company's modernization programme has also been completed at capital outlay of Rs. 122 Crores. The said expansion cum modernization programme has been financed through term loan of Rs. 262 Crores from the banks and balance from the internal accruals of the company. On completion of expansion cum modernisation plans, company's spindlage capacity stand increased to 5,73,408 spindles and 1080 rotors and 768 Airjet Spindles.

**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 Indian Accounting Standard (Ind AS) 108 issued by the Institute of Chartered Accountants of India, New Delhi, are not applicable.

We are pleased to inform you that because of company's excellent export performance **TEXPROCIL** (The Cotton Textiles Export Promotion Council) has awarded **Gold Plaque** for Highest Exports of Processed Yarns in

Category I and **Silver Trophy** for Second Highest Exports of Cotton Yarn Counts 50s and below in Category III for the financial year 2022-23.

We are also pleased to inform you that during the year under review, company has been awarded '**Northern Region Export Excellence Award**' by the Hon'ble Minister of State for Commerce & Industry; Consumer Affairs, Food & Public Distribution and Textiles. The company has also been accorded the status of '**Four Star Export House**' by the Government of India, Ministry of Commerce and Industry for a period of five years effective from 23.08.2023 to 23.08.2028 as per Foreign Trade Policy, 2023.

Before reviewing the financial performance, we would like to inform you that the Indian Textiles Industry is passing through a very difficult and challenging period. Despite the pickup in Global Demand, the prices of finished goods has not risen in proportion to the increase in raw cotton prices, which in turn impacted company's performance. The company achieved a total income from operations of Rs. 3065.57 Crores showing an increase of 7.89% over the previous year. Likewise, the export at Rs. 1625.16 Crores has also shown an impressive increase of 43.16% when compared with the previous year. However, the profitability of the Company was severely impacted because of the reasons mentioned above. The company earned EBITDA of Rs. 99.11 Crores as against of Rs. 257.12 Crores in the previous year. After providing depreciation of Rs. 88.48 Crores and finance cost of Rs. 66.15 Crores, it suffered a loss of Rs. 55.52 Crores. After adjustment of tax (including deferred tax charge) of Rs. 10.30 Crores and CSR expenses of Rs.5.86 Crores, the net loss comes to Rs. 51.08 Crores. The Company's Reserves (other equity) stands at Rs. 1463.12 Crores as on 31st March, 2024.

During the current year, prevailing Geo-Political situations, stagnation in Global Demand and high cotton prices are still a cause of concern for the industry. Your management is looking at the future with optimism and expect that things will improve in the coming period and the company will be able to put up a reasonably good performance in the current year.

**DIVIDEND AND DIVIDEND DISTRIBUTION POLICY (DDP)**

During the year under review, company suffered a loss of Rs. 51.08 Crores. The Board, in order to maintain continuity in Dividend payment to its shareholders, has recommended a dividend of Rs. 1.00/- per equity shares of Rs. 5/- each (i.e. @ 20%) for the year ended 31<sup>st</sup> March, 2024, out of the Reserves of the company. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting to be held on 25<sup>th</sup> September, 2024.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of the Reserves of the Company for the year under reference, to all those



shareholders whose names shall appear in the Register of Members on 6th September, 2024 or Register of beneficial Owners, maintained by the Depositories as at the close of 6th September, 2024. Further, as per the Finance Act, 2020 dividend income is taxable in the hands of members w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from the dividend payable to the members at the prescribed rates as per the Income Tax Act, 1961.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) 2015 as amended, a Dividend Distribution Policy setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company, is available on the website of the Company at [http://www.ownahar.com/spinning/pdf/dividend\\_distribution.pdf](http://www.ownahar.com/spinning/pdf/dividend_distribution.pdf).

#### **INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions Section 124(5) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all dividend remaining unpaid or unclaimed for a period of seven consecutive years is required to be transferred to the Investor Education Protection Fund (IEPF) established by the Central Government.

Accordingly, the Company has transferred an amount of Rs. 1,701,617.00/- (Rupees Seventeen Lakhs One Thousand Six Hundred Seventeen only) being the amount of unclaimed dividend for the year 2015-16 to the Investor Education and Protection Fund in November, 2023. The shareholders whose dividends have been transferred to IEPF Authority can claim their dividend from the Authority. Further, unpaid or unclaimed dividend for the year 2016-17 will have to be transferred to the Investor Education and Protection Fund in November, 2024. The Company has already sent emails / notices in the month of May, 2024 to the members informing them to claim the Unclaimed Dividend before such transfer of dividend to the IEPF Authority.

Besides, as per the provisions of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the equity shares on which dividend remains unpaid or unclaimed by the shareholders for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. Accordingly in compliance of the provisions of the Act, 34002 (Thirty Four Thousand and Two only) equity shares of Rs. 5/- each were transferred to the DP/Client ID IN300708/10656671 opened in the name of the Investor Education and Protection Fund Authority. The details of the shareholders whose shares are proposed to be transferred to the Demat account of IEPF Authority in November, 2024 is available on company's website <http://www.ownahar.com/spinning/>

[pdf/pertaining\\_to\\_fy\\_2016-17.txt](#) and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

We are pleased to inform that Shareholders can reclaim their subject shares/dividend by making an application to the IEPF Authority in e-Form IEPF-5 as per procedure provided under Rule 7 of the IEPF Rules. The Shareholders can also view the procedure at [www.iepf.gov.in](http://www.iepf.gov.in)

#### **DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted their declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There have been no changes in the circumstances affecting their status as Independent Directors of the Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- **Appointment / Re-appointment /Retirement of Directors**

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and Article 117 of Article of Association of the Company, Mr. Jawahar Lal Oswal (DIN: 00463866) and Mr. S.K. Sharma (DIN: 00402712), Non-Executive directors of the company, will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. The resolutions seeking shareholders approval for their re-appointment alongwith the other required detail form part of the notice. The Board recommended their re-appointment to the members of the Company at the ensuing Annual General Meeting.

- **Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Dinesh Oswal Managing Director, Mr. Anil Garg, Chief Financial Officer and Mr. Brij Sharma, Company Secretary are the Key Managerial Personnel (hereinafter referred as KMP) of the Company and there has been no change in the KMP since the last fiscal year.

#### **BOARD EVALUATION**

The provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandate that a Formal Annual Evaluation is to be made by Board of its own performance and that of its Committee and individual Directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Director being evaluated.

The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination and Remuneration Committee of the Company and adopted by the Board. The 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, behavior, leadership qualities, level of engagement and contribution, independence of judgment, 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 outcome of the Board Evaluation for the Fiscal 2024 was discussed by the Nomination and remuneration Committee in its meeting held on 29<sup>th</sup> May, 2024 and the Board in its meeting held on 29<sup>th</sup> May, 2024.

The Board was satisfied with the evaluation process and the approved the evaluation results thereof.

**CORPORATE POLICIES:**

As per SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the listed Companies are required to formulate certain policies. As a good corporate entity, the Company has already formulated several corporate governance policies and the same are available on the Company's website i.e. www.owmnahar.com. The said policies are reviewed periodically by the Board to make them in compliance with the new Regulations/requirements.

The Company has adopted certain policies, the details of which are given hereunder:

Name of the Policy	Brief Description
<b>Appointment Remuneration Policy</b>	Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Policy for Appointment and Remuneration of Directors, Key Managerial Personnel and other employees as recommended by Nomination and Remuneration Committee. The policy formulates the principle and criteria for determining qualification, competence, positive attributes, integrity and independence etc. for Directors, Senior Management Personnel including its Key Managerial Personnel (KMP) and employees of the Company. The Policy also laid down the criteria for determining the remuneration of Directors, Key Managerial Personnel and other employees. The Policy has been uploaded on the Company's website and can be accessed at <a href="http://www.owmnahar.com/spinning/pdf/NSMLAPPOINTMENTANDREMUNERATIONPOLICY.pdf">http://www.owmnahar.com/spinning/pdf/NSMLAPPOINTMENTANDREMUNERATIONPOLICY.pdf</a>

<b>Corporate Social Responsibility</b>	Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, CSR Committee formulated the CSR Policy which was adopted by the Board. The CSR policy outlines the various programmes/projects/Activities to be undertaken by the Company as laid down in Schedule VII of the Companies Act, 2013 relating to promoting education, healthcare, environment, hunger, poverty, rural development etc. The Policy has been uploaded on the Company's website and can be accessed at <a href="http://www.owmnahar.com/spinning/pdf/CSR-Policy-NSML-2023.pdf">http://www.owmnahar.com/spinning/pdf/CSR-Policy-NSML-2023.pdf</a>
<b>Whistle Blower Policy</b>	Pursuant to the provisions of Section 177 of the Companies Act, 2013 Company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its Directors and employees. The aim of the policy is to provide a channel to the Directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct. The Policy has been uploaded on the Company's website and can be accessed at <a href="http://www.owmnahar.com/spinning/pdf/vigil_mechanism.pdf">http://www.owmnahar.com/spinning/pdf/vigil_mechanism.pdf</a>
<b>Policy on Materiality of Related Parties Transactions and Dealing with Related Party Transactions</b>	Pursuant to the requirements of regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board has approved a policy on Materiality of Related Parties Transactions and Dealing with Related Party Transactions. The Policy regulates the transaction between the Company and its Group Companies and related parties. The policy has been uploaded on Company's website and can be accessed at <a href="http://www.owmnahar.com/spinning/pdf/RPT-NAHAR-SPINNING-2022.pdf">http://www.owmnahar.com/spinning/pdf/RPT-NAHAR-SPINNING-2022.pdf</a>
<b>Insider Trading Policy</b>	Pursuant to the SEBI (Prohibition of Trading Policy Insider Trading) Regulations, 2015 as amended from time to time, the Board has adopted the following Codes to provide framework for dealing in the Securities of the Company by the Insiders: <ul style="list-style-type: none"> <li>i. Code of practices and procedures for fair disclosure of unpublished price sensitive information</li> </ul>



	<p>ii. Code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons</p> <p>The Codes help to regulate trading in securities by the designated persons and immediate relatives of designated persons. The Code requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Policy has been uploaded on the Company's website and can be accessed at <a href="http://www.owmnahar.com/spinning/pdf/code-of-practices.pdf">http://www.owmnahar.com/spinning/pdf/code-of-practices.pdf</a></p>
<b>Policy for Preservation of documents</b>	The Board of directors in their meeting held on 10th February, 2016 has approved and adopted the policy for Preservation of documents. The policy segregates the documents to be preserved permanently and documents to be preserved at least for a period of eight years as per requirements of applicable laws.
<b>Archival Policy</b>	Pursuant to the requirements of Regulation 30(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Archival Policy in its Meeting held on 10th February, 2016. The policy ensures protection, maintenance and archival of Company's disclosures, documents and records that are placed on Company's website i.e. <a href="http://www.owmnahar.com">www.owmnahar.com</a>
<b>Board Diversity Policy</b>	The Board of Directors in their Meeting held on 12th November, 2014 has approved and adopted the Board Diversity Policy as per the recommendation of Nomination and Remuneration Committee. The policy envisages diversification of Company's Board in respect of age, knowledge, experience and expertise.
<b>Dividend Distribution Policy</b>	Pursuant to the requirements of regulation 43A of SEBI (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations 2021, the Board of Directors in their Meeting held on 31st May, 2021 has approved and

	adopted the Dividend Distribution Policy. The policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy has been uploaded on Company's website and can be accessed at <a href="http://www.owmnahar.com/spinning/pdf/dividend_distribution.pdf">http://www.owmnahar.com/spinning/pdf/dividend_distribution.pdf</a>
<b>Risk Management Policy</b>	The Board of Directors has formulated and adopted Risk Management Policy as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The policy has been uploaded on Company's website and can be accessed at <a href="http://www.owmnahar.com/spinning/pdf/risk-management-policy-22.pdf">http://www.owmnahar.com/spinning/pdf/risk-management-policy-22.pdf</a>

**APPOINTMENT AND REMUNERATION POLICY**

The Board on the recommendation of the Nomination and 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 objective of the Policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of Governance and Management. The present Board consists of ten members. Sh. Jawahar Lal Oswal is Non-Executive Chairman. Sh. Dinesh Oswal is a Managing Director. There are four Non Executive Directors and five are Independent Directors out of which one Director namely; Dr. (Mrs.) Manisha Gupta is Women Director on the Board.

The Company's Policy of Appointment and Remuneration includes criteria for determining Qualification, Positive Attributes, Independence of Directors and other matters, as required under sub Section 3 of Section 178 of the Companies Act, 2013. The policy also laid down the criteria for determining the remuneration of Directors, Key Managerial Personnel and other employees. The Appointment and Remuneration Policy of the Company is available on the Company's website and can be accessed at <http://www.owmnahar.com/spinning/pdf/NSMLAPPOINTMENTANDREMUNERATIONPOLICY.pdf>. There has



been no change in the Policy since the last fiscal year. We affirm the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors held their meeting on 15<sup>th</sup> November, 2023 without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting. At the meeting they:

1. Reviewed the performance of Non-Independent Directors and the Board as a whole.
2. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors.
3. Assessed the quality, quantity and timeliness of the flow of information between the Company's management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

### **FAMILIARISATION PROGRAMS FOR BOARD MEMBERS**

At the time of appointing a Director, the Company 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 the Independent Directors are provided with all policies/Guidelines as framed by the Company under various statutes and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to familiarize with 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations. The details of the Company's policy on Familiarization Programs conducted during the year under review for Independent Directors are posted on the Company's website and can be assessed at: <http://www.owmnahar.com/spinning/pdf/familiarization-program.pdf>

### **NO. OF BOARD MEETINGS**

During the year under review, the Board of Directors met four times i.e. 30<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023, 8<sup>th</sup> November, 2023 and 10<sup>th</sup> February, 2024 with a predefined agenda circulated well in advance. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **RELATED PARTY TRANSACTIONS**

Your Company is engaged in the Manufacture & Exports of yarns and knitted garments. Likewise some Group

Companies (which are public limited Companies) are also engaged in the Textile Industry. Because of nature of Industry, sometimes sale/purchase/fabrication jobs etc. transactions takes place between the Group Companies, in the ordinary course of business on Arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc which may have potential conflict of interest with the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with the Rule 8 of the Companies (Accounts) Rules, 2014. However, the transactions entered into with the Group Companies, during the year under review, has been given in Notes to the financial statements in accordance with the Accounting Standards.

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 read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended 31st March, 2024. 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 Group Companies transactions regarding sales/purchase etc. are placed before the Audit Committee as well as the Board, for their information and approval.

### **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 31<sup>st</sup> March, 2024 is Rs. 1803.27 Lakhs. During the year under review, Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor granted any stock options or sweat equity under any scheme.

### **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**

The Company has not provided any Guarantee under Section 186 of the Companies Act, 2013. However, the details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in the Annual Report.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company adopted CSR Policy and decided 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 details of the CSR policy are available on the Company's website i.e. [www.owmnahar.com](http://www.owmnahar.com)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, company's CSR obligation for the financial year 2023-24 was Rs. 586.47 Lakhs (being the 2% of the average net profits made during the three immediate preceding financial years. After adjustment of excess amount of Rs. 76 Lakhs spent during the financial year 2022-23 on 'Health Care Project', the company was required to spend an amount of Rs. 510.47 Lakhs on CSR activities for the financial year 2023-24. To fulfill its obligation for the financial year 2023-24 under CSR, Board on the recommendation of CSR Committee contributed an amount of Rs. 510.50 Lakhs to the Oswal Foundation, a Registered society with vide Registration No. CSR0000145, for undertaking 'Rural Development Project', which is covered under Schedule VII of the Companies Act, 2013. The Foundation has undertaken 'construction of community hall, kitchen and rooms at main G.T. Road between Doraha and Khanna, Distt. Ludhiana. The work on the project is going on as per schedule.

The disclosure in respect of the existing 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 I" and forms part of this Report.

#### **AUDIT COMMITTEE**

As required under Section 177 of the Companies Act, 2013, the Board of Directors has already constituted Audit Committee consisting of three Non-Executive Directors under the Chairmanship of Dr. Vijay Asdhir, Sh.

Dinesh Gogna and Dr. Roshan Lal Behl as members as on 31<sup>st</sup> March, 2024. Mr. Brij Sharma is the Secretary of the Committee. The Committee held four meetings during the year under review. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

#### **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, 2013, 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 Audit 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 provides direct access to the chairperson 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. for reporting the genuine concerns. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website and can be accessed at [http://www.owmnahar.com/spinning/pdf/vigil\\_mechanism.pdf](http://www.owmnahar.com/spinning/pdf/vigil_mechanism.pdf).

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

#### **SUBSIDIARY, JOINT VENTURE OR ASSOCIATES COMPANY**

The Company does not have any subsidiaries, joint venture and Associates Company during the year under review.

#### **CREDIT RATING**

We would like to inform you that Credit Rating Information Services of India Ltd. (CRISIL) vide its letter no. RL/NAHSPIN/326730/BLR/0823/68934 dated August 29, 2023 has intimated company's rating outlook on the long term bank facilities 'CRISIL A/Negative'. The rating on short-term bank facility has been reaffirmed at 'CRISIL A1'.

#### **GREEN INITIATIVE**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Further, as per the provisions of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company may send financial



statements and other documents by electronic mode to its members. Your Company has decided to join the MCA in its environmental friendly initiative.

Accordingly, Company propose to send documents such as notices of General Meetings, Annual Report and other communications to its shareholders via electronic mode to the registered E-mail addresses of the 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 Account 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.

#### **LISTING OF SECURITIES**

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

- i. The BSE Ltd., 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.
- ii. The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051.

The Company has paid listing fee to both the Stock Exchanges for the financial year 2024-25.

#### **DEMATERIALIZATION OF SECURITIES**

Your Company has established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) to facilitate the holding and trading of securities in electronic form. As on 31st March, 2024, 98.52% of the total Equity Share Capital of the Company has been dematerialized.

Pursuant to Regulation 40 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with the Depository. Hence, all members, who are holding equity shares in physical form, are requested to go in for dematerialization of securities at the earliest.

Further, the Company has appointed M/s Alankit Assignments Ltd., as Registrar for Share Transfer and Electronic connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer/transmission, demat/remat, change of address etc. to our registrar at below mentioned address:

M/s. Alankit Assignments Limit  
(Unit: Nahar Spinning Mills Limited)  
Alankit House, 4E/2, Jhandewalan Extension  
New Delhi – 110 055  
Telephone No. : (011) 42541234  
Fax No. : (011) 23552001  
E-mail address: rta@alankit.com

In case any query/complaint remains unresolved with our Registrar please write to Company Secretary at the Registered Office of the Company.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

The Directors would like to assure the Members that the financial statements for the year under review, confirm in their entirety to the requirements of Companies Act, 2013. Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge & ability, confirm that:

- i. In preparation of the Annual Accounts, the applicable Accounting Standards had been followed alongwith proper explanations relating to material departures;
- ii. They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They had prepared the Annual Accounts on a going concern basis.
- v. That the directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **AUDITORS & AUDITORS' INDEPENDENT REPORT**

##### **Statutory Auditors**

The members at the Annual General Meeting held on 24<sup>th</sup> August, 2022 appointed M/s. Gupta & Vigg Co., Chartered Accountants (Firm Registration No. 001393N) as Statutory Auditors of the Company for a term of 5(Five) consecutive years to hold the office from the conclusion of 42<sup>nd</sup> Annual General Meeting upto the conclusion of





47<sup>th</sup> Annual General Meeting of the company to be held in the year 2027.

M/s. Gupta Vigg & Co., Chartered Accountants, have given declaration to the effect that they have not incurred any disqualification as mentioned under Section 141(3) of the Companies Act, 2013 after their appointment as Statutory Auditors of the Company.

#### **Audit Report**

The Statutory Auditors have submitted Audit Report on the Financial Statements of the Company for the accounting year ended 31<sup>st</sup> March, 2024. There were no qualifications, reservations, adverse remarks or disclaimers in the Report. The observations and comments given by Auditors in their Report read together with the Notes to the Accounts are self explanatory and require no comments.

No frauds were reported by the Auditors under Section 143(12) of the Companies Act, 2013.

#### **Cost Auditors**

We would like to inform you that the Ministry of Corporate Affairs vide Notification dated 31<sup>st</sup> December, 2014 amended Companies (Cost Records and Audit) Rules, 2014, pursuant to which, the Company's business Activities have been included within the purview of Cost Audit requirement. Accordingly, the company is maintaining Accounts and Costing Records. Further, the Board of Directors on the recommendation of Audit Committee appointed M/s. Ramanathlyer & Co., Cost Accountants (Firm Registration No. 000019), as Cost Auditors of the Company for financial year 2023-24. Accordingly, they have conducted Cost Audit for the Financial Year 2023-24. The report does not contain any qualification, reservation or adverse remark and requires no comments.

Pursuant to Section 148 of the Companies Act, 2013, the Board has re-appointed M/s. Ramanathlyer & Co., Cost Accountants (Firm Registration No. 000019), to conduct Cost Audit of the Company for the Financial Year 2024-25. They have confirmed their eligibility for the said re-appointment. The remuneration of Rs.2.05 Lakhs (Rupees Two Lakhs Five Thousand Only) plus applicable taxes and reimbursement of out of Pocket expenses incurred, payable to the Cost Auditors is required to be ratified by the members as per the provision of Section 148(3) of the Companies Act, 2013 and Rules 14 of the Companies (Audit and Auditors) Rules, 2014. Accordingly, a resolution for ratification of the remuneration of the Cost Auditors has been proposed in the notice of the ensuing Annual General Meeting for your approval.

#### **Secretarial Auditors**

The Board pursuant to the provision of Section 204 of the

Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s. P.S. Bathla & Associates, Practicing Company Secretaries, having Certificate of Practice No. 2585 as Secretarial Auditor to conduct Secretarial Audit for the financial year 2024-25.

M/s. P.S. Bathla & Associates, Practicing Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2024 and their Secretarial Audit Report in Form No. MR-3 is annexed hereto as Annexure II and form part of this Report.

The Secretarial Audit Report does not contain any qualification, reservations or adverse remarks. The Report is self explanatory and requires no comments.

#### **SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards (SS1 & SS2) relating to the meetings of Board of Directors and General meetings respectively issued by the Institute of Company Secretaries of India.

#### **BUSINESS RISK MANAGEMENT**

In compliance with the provisions of Regulation 21 of SEBI (LODR) (Second Amendment) Regulations, 2021 the company has formed a Risk Management Committee to frame, implement and monitor the risk management plans for the Company. The Risk Management Committee comprises of three Directors under the chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Dr. Anchal Kumar Jain and Dr. Roshan Lal Behl, Independent Directors of the company are the other two members of the Committee. The Committee is responsible for monitoring and reviewing the risk management policies and ensuring its effectiveness. The Risk Management Committee met two times during the year under review i.e. on 17<sup>th</sup> April, 2023 and 11<sup>th</sup> October, 2023.

Your Board has formulated a Risk Management Policy. The Policy aims to identify, evaluate manage and monitor all types of risks associated with the business of the Company. The Board as well as Audit Committee regularly oversees the risk management process in the Company, as required under 134(3)(n) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your Company is operating in Textile segment and has identified certain risks which may affect the performance of the Company. The risks associated with the textile industry are operational risks such as fluctuation in cotton prices, fluctuation in foreign exchange rates, Labour problems etc. There are also Regulatory risks, Global Risks, Cyber Security risks. The Company's Risk Management Policy aims to suggest the steps to be taken to control and



mitigate the risk associated with the Company's Textile Business. We are of opinion that none of identified risk is such that which may threaten the existence of the Company. The Policy is also posted on Company's website and can be accessed at <http://www.ownahar.com/spinning/pdf/risk-management-policy-22.pdf>

#### **INTERNAL FINANCIAL CONTROL**

The Company is maintaining an efficient and effective system of Internal Financial Control for facilitation of speedy and accurate compilations of financial statements. The Company's Internal Financial Control System is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliances with procedures, laws and regulations. The Company's Internal Control System commensurate with the nature of its business and size of its operations. In order to further strength the Internal Control System and to automate the various processes of the business, Company is making use of SAP S4 HANA application, which is based on SAP HANA database. It keeps all the data in memory which results in data processing that is magnitude faster than that of disk based system, allowing for advanced, real time analytics.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed M/s Raj Gupta & Co., Chartered Accountants as Internal Auditor of the Company. The company is having internal audit department to test the adequacy and effectiveness of Internal Control Systems laid down by the Management and suggests improvement in the systems. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board. During the year under review, company's Internal Controls were tested and no reportable weakness in the system was observed.

Apart from the above, an Audit Committee consisting of three Non Executive Directors has been constituted. All the significant audit observations and follow up actions thereon are taken care by the Audit Committee. The Audit Committee also oversees and reviews the adequacy and effectiveness of Internal Controls in the company. The Audit Committee met four times during the financial year under review. The company has also established a Vigil Mechanism as per Section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

#### **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any Public Deposit within the meaning of Section 73, of the Companies Act, 2013 and the Rules

made there under. There is no outstanding/unclaimed deposit from the public. However, the information as required under Rule 8 of the Companies (Accounts) Rules, 2014 is given hereunder:-

- i. Deposits accepted during the year: Nil
- ii. Deposits remained unpaid or unclaimed as at the end of the year: Nil
- iii. Default in repayment of deposits and deposits which are not in compliance with the Requirements of Chapter V of the Companies Act, 2013: N.A.

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

The Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2023-24, the Company has not received any complaints on sexual harassment and hence no compliant remains pending as of 31<sup>st</sup> March, 2024.

#### **ANNUAL RETURN**

The Annual Return of the Company, pursuant to the provisions of Section 92(3) read with the Section 134(3)(a) of the Companies Act, 2013 with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2023-24, the Form MGT-7 has been uploaded on Company's website at: <http://www.ownahar.com/spinning/pdf/Annual-Return-2023-2024.pdf>

#### **STATEMENT UNDER SECTION 197 OF THE COMPANIES ACT, 2013**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as "Annexure III" and form part of this report.

In terms of Section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. However, the details regarding remuneration received by Managing Director is also given in ANNEXURE III annexed hereto and form part of this report.

Pursuant to the provisions of Section 197 (1) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 read with schedule V and other applicable provisions, the Company got shareholders



approval vide Special Resolution dated 29th September, 2021 for the payment of remuneration as mentioned in the resolution for five years from 1st January, 2022 upto 31st December, 2026 to Sh. Dinesh Oswal, Managing Director of the Company. A remuneration of Rs. 14,88,70,023 /-(Rupees Fourteen Crore Eighty Eight Lakhs Seventy Thousand Twenty Three only) has been paid to Mr. Dinesh Oswal, Managing Director of the Company for financial year 2023-24. Mr. Dinesh Oswal is 59 years of age. He is a Commerce Graduate and has business experience of more than 40 years in textile industry and financial expertise. He is employed on contractual basis for five years w.e.f 1st January, 2022 to 31st December, 2026. Before joining the Company, he was employed with M/s. Oswal Woollen Mills Ltd. as Commercial Manager. His shareholding in the Company is 123766 equity shares of Rs. 5/- each. He is related to Mr. Jawahar Lal Oswal, Chairman, Mr. Kamal Oswal, Director, Mrs. Ritu Oswal, Expert Advisor, Mr. Sambhav Oswal, President (Marketing) and Ms. Tanvi Oswal, President of the Company.

Mr. Jawahar Lal Oswal, Chairman/Director of the Company has been paid sitting fee and payment @ 0.50% of company's exports sale as per the approval of the shareholders vide their special resolution dated September, 2023. Mr. Jawahar Lal Oswal is 80 years of age. He is a Commerce Graduate and has business experience of more than 60 years in Textile and Woollen Industry. He is employed on contractual basis for three years w.e.f 1st October, 2021. Before joining the Company, he was employed with M/s. Oswal Woollen Mills Ltd. as Managing Director. His shareholding in the Company is 90374 equity shares of Rs. 5/- each. He is related to Mr. Dinesh Oswal, Managing Director, Mr. Kamal Oswal, Director, Mrs. Ritu Oswal, Export Advisor, Mr. Sambhav Oswal, President (Marketing) and Ms. Tanvi Oswal, President of the Company.

Remuneration and other detail of Ms. Tanvi Oswal has been given in 'Annexure-III' of the Director Report.

No other employee was in receipt of remuneration exceeding the limits as provided under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The detailed information as required under Section 134(3) of the Companies Act, 2013 read with Sub Rule 3 of the Rule 8 Companies (Accounts) Rules, 2014, is enclosed as per Annexure-IV and forms part of this report.

#### **REPORT ON THE CORPORATE GOVERNANCE**

Your Company continues to follow the principles of good Corporate Governance. Corporate Governance is about

maximizing shareholder value legally, ethically and sustainably. The Company has already constituted several committees of directors to assist the Board in good Corporate Governance. The Corporate Governance Report alongwith the Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in part C of Schedule VI of the SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015 annexed hereto as Annexure-V and form part of the Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is enclosed as per Annexure-VI and form part of this Report.

#### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Business Responsibility and Sustainability Report for the year ended 31st March, 2024 mentioning therein the initiatives taken by the company from an Environmental, Social and Governance (ESG) perspective in the format as specified by the SEBI under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been uploaded on Company's website at: <http://www.owmnahar.com/spinning/pdf/BRSR-2023-24.pdf>

#### **HUMAN RESOURCE/INDUSTRIAL RELATIONS**

The Company recognizes human resource as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. The Company is of firm belief that the Human Resources are the driving force that propels a Company towards progress and success. The Company has a team of able and experienced professionals to look after the affairs of the Company. The Company's employees at all levels have extended their whole hearted co-operation for the excellent performance of the Company. The industrial relation remained cordial during the year under review.

#### **ACKNOWLEDGEMENT**

The Board of Directors of the Company 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 are thankful to the Bankers, Financial Institutions for their continued support to the Company. The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

**FOR AND ON BEHALF OF THE BOARD**

**JAWAHAR LAL OSWAL  
(CHAIRMAN)  
DIN: 00463866**

**Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024**

**Annexure-I****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

*[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended]*

**1. A brief outline of the Company's CSR Policy:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) which was adopted by the Board of Directors. As per policy, the Company joined hands with other group companies under one umbrella to undertake the CSR Projects through Oswal Foundation. Oswal Foundation is a registered society formed in the year 2006 having its charitable objects in various fields. It has already registered with the Ministry of Corporate Affairs with vide Registration no. CSR0000145 for undertaking CSR activities. The CSR policy is also available on the Company's website at the link: <http://www.owmnahar.com/spinning/pdf/CSR-Policy-NSML-2023.pdf>

**2. Composition of CSR Committee:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company's Corporate Social Responsibility (CSR) Committee comprises of three members under the Chairmanship of Mr. Dinesh Oswal, Managing Director. Dr. Yash Paul Sachdeva, Independent Director and Mr. Dinesh Gogna, a Non- executive Director of the company, are the other two members of the Committee. During the year under review, the committee held three meetings. The detail is given here under:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sh. Dinesh Oswal	Chairman/Managing Director	3	3
2.	Sh. Dinesh Gogna	Member/Non-executive Director	3	3
3.	Dr. Yash Paul Sachdeva	Member/Independent Director	3	3

**3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company:**

Composition of CSR committee	<a href="http://www.owmnahar.com/spinning/committees-of-directors.php">http://www.owmnahar.com/spinning/committees-of-directors.php</a>
CSR Policy	<a href="http://www.owmnahar.com/spinning/pdf/CSR-Policy-NSML-2023.pdf">http://www.owmnahar.com/spinning/pdf/CSR-Policy-NSML-2023.pdf</a>
CSR projects approved by the Board	<a href="http://www.owmnahar.com/spinning/pdf/CSR-Project-NSML-1.pdf">http://www.owmnahar.com/spinning/pdf/CSR-Project-NSML-1.pdf</a>

**4. Detail of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:**

As per sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, the Company is not required to undertake impact assessment, through an independent agency of their CSR projects. However, to monitor and supervise the CSR projects undertaken by the Oswal Foundation, the Board/CSR Committee has entrusted the responsibility to one of its committee member. The member conducts the impact assessment of the CSR projects undertaken by Oswal Foundation and reports the same to the CSR committee as well as the Board.

**5. (a) Average net profit of the company as per section 135(5) of the Act: Rs. 29323.30 Lakhs****(b) Two percent of average net profit of the company as per Section 135(5) – Rs. 586.47 Lakhs****(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years – Nil****(d) Amount required to be set off for the financial year, if any – 76.00 Lakhs****(e) Total CSR obligation for the financial year (b+c-d). – Rs. 510.47 Lakhs****6. (a) Amount spent on CSR Projects (both Ongoing and other than Ongoing Project): Rs. 586.50 Lakhs****(b) Amount spent in Administrative Overheads – Nil****(c) Amount spent on Impact Assessment (if applicable) – NA****(d) Total amount spent for the Financial Year (a+b+c) – 586.50 Lakhs****(e) CSR amount spent or unspent for the financial year –**



Total amount spent for the financial year	Amount unspent (in Rs. in Lakhs)				
	Total amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 586.50* Lakhs	Nil	NA	NA	Nil	NA

**(f) Excess amount for set off, if any –**

Sr. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	586.47
(ii)	Total amount spent for the Financial Year	586.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.03
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.03

\*The total CSR obligation of the company for the financial year 2023-24 was Rs. 586.47 Lakhs. However, after adjustment of excess amount of Rs. 76 Lakhs spent during the financial year 2022-23 on 'Health Care Project', the company was required to spend an amount of Rs. 510.47 Lakhs on CSR activities for the financial year 2023-24. To fulfill its obligation for the financial year 2023-24 under CSR, Board on the recommendation of CSR Committee contributed an amount of Rs. 510.50 Lakhs to the Oswal Foundation, a Registered society with vide Registration No. CSR0000145, for undertaking 'Rural Development Project', which is covered under Schedule VII of the Companies Act, 2013. The Foundation has undertaken 'construction of community hall, kitchen and rooms at main G.T. Road between Doraha and Khanna, Distt. Ludhiana. The work on the project is going on as per schedule. Thus, the company has fulfilled the current year CSR obligation i.e. Rs. 586.47 Lakhs

**7. Details of Unspent CSR amount for the preceding three financial years: Nil**

Sr. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under section 135(6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount Spent in the reporting Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso Section 135(5), If any		Amount remaining to be spent in succeeding financial years	Deficiency, If any
					Amount	Date of transfer		
NIL								

**8. Whether any capital asset have been created or acquired through Corporate Social Responsibility amount spent in Financial Year**

Yes  No

If Yes, enter the number of Capital assets created/acquired: No capital asset was created or acquired during the financial year 2023-24 through CSR amount spent.

Furnish the details relating to such asset(s) created or acquired through Corporate Social Responsibility amount spent in Financial Year –

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

**9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) of the Act: Not Applicable**

Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024

Sd/-  
(DINESH OSWAL)  
Managing Director/ Chairman of CSR Committee  
DIN: 00607290

**Form No. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDING 31<sup>st</sup> MARCH, 2024**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
Nahar Spinning Mills Ltd.  
373 Industrial Area, Phase A,  
Ludhiana Punjab- 141003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Nahar Spinning Mills Ltd** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the **Financial Year 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024** complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Nahar Spinning Mills Ltd** ("The Company") for the financial year ended on **31<sup>st</sup> March, 2024** according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the rules made there under;
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable as the Company has not issued any shares during the year under review)**
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2014; **(Not Applicable as the Company has not issued any shares/options to directors/employees under the said guidelines/regulations during the year under review)**
    - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period as there was no event in this regard)**
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review)**
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review)**
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review)**
  - (VI) Textiles (Development and Regulation) Order, 2001

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I Report that during the period under review, the Company has complied with the provisions of The Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**2. I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices are given to all directors to schedule the Board Meetings and agenda, detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

**I further report** that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For P S Bathla & Associates**

**Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024  
UDIN: F004391F000949381**

**Parminder Singh Bathla  
Company Secretary  
FCS No. 4391  
C.P No. 2585  
Peer Review No. 1306/2021  
SCO-6, Feroze Gandhi Market  
Ludhiana**

**Note: This Report is to be read with my Letter of even date which is annexed as Annexure A and forms an integral part of this report.**

**'Annexure A'**

To

The Members,  
Nahar Spinning Mills Ltd.  
373 Industrial Area, Phase A,  
Ludhiana Punjab- 141003

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P S Bathla & Associates**

**Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024**

**Parminder Singh Bathla  
Company Secretary  
FCS No. 4391  
C.P No. 2585  
Peer Review No. 1306/2021  
SCO-6, Feroze Gandhi Market  
Ludhiana**



**Annexure-III**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i) The detail of remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase/decrease in their remuneration during the financial year 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for financial year 2023-24	% increase/ decrease in Remuneration in the Financial Year 2023-24	Ratio of remuneration of each Director/ to median remuneration of employees
1	*Sh. J.L. Oswal Non-Executive Director	*91423539.00 (including sitting fee and fee)	98.59	499.29
2	#Sh. Dinesh Oswal Managing Director	**148870023	-13.72	813.02
3	Sh. Kamal Oswal Non-Executive Director	30000	-25.00	0.16
4	Sh. Dinesh Gogna Non-Executive Director	40000	Nil	0.22
5	Sh. S.K. Sharma Non-Executive Director	30000	-25.00	0.16
6	Dr. Manisha Gupta Independent Director	40000	Nil	0.22
7	Dr. Vijay Asdhir Independent Director	40000	33.33	0.22
8	Dr. Roshan Lal Behl Independent Director	40000	Nil	0.22
9	Dr. Yash Paul Sachdeva Independent Director	40000	100	0.22
10	Dr. Anchal Kumar Jain Independent Director	40000	100	0.22
11	Sh. Anil Garg Chief Financial Officer	3248476	5.40	-
12	Mr. Brij Sharma Company Secretary	2645122	5.95	-

**Notes:**

\* Advisory fee paid to Sh. J.L. Oswal, Non-Executive Director, has increased on account of increase in export turnover from Rs.1135.16 Crores to Rs. 1625.16 Crores during the FY 2023-24.

# The remuneration paid to Sh. Dinesh Oswal, Managing Director, has decreased as the company suffered a loss of Rs. 51.08 Crores for the year ended 31<sup>st</sup> March, 2024. Accordingly, No commission was paid to Sh. Dinesh Oswal in the financial year 2024.

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 1.83 Lakhs (approx.)
- (iii) In the financial year, there was an increase of 11.24% in the median remuneration of employees.

- (iv) There were 10444 permanent employees on the rolls of Company as on March 31, 2024.
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2023-24 was 6.95% whereas the decrease in the managerial remuneration (Managing Director) for the same financial year was 13.72%.
- (vi) It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for directors, Key Managerial Personnel and other Employees.

**Details of top ten employees of the Company in terms of salary drawn under rule 5(2) and 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No.	Name & Designation	Remuneration received	Nature of employment (contractual or otherwise)	Qualification & experience	Date of commencement of employment	Age	Last employment held	% age of equity shares held	Whether relative of any director or manager
1.	Sh. Dinesh Oswal (M.D.)	148870023	Contractual	B.Com, 40 Years	01.01.1987	59	Oswal Woollen Mills Ltd., Ldh	0.34	1. Sh. J.L. Oswal (Chairman) 2. Sh. Kamal Oswal (Director)
2	Ms. Tanvi Oswal (President)	2,43,10,000	Regular	B.SC (Management) 5 years	01.11.2018	27	Nahar Spinning Mills Limited	0.00	D/o Sh. Dinesh Oswal (M.D.) & Mrs. Ritu Oswal (Export Advisor)
3	Sh. Anil Kumar Garg (C.F.O)	3248476	Regular	FCA 41 Years	01.02.1993	67	Nahar Fibres Ltd., Jitwal Kalan, Distt. Sangrur	NIL	No
4	Sh. Mukesh Rustagi (G.M.)	3246181	Regular	B. Tech. 39 Years	01.12.2015	61	Oswal Cotton Spinning Mills (Doraha, Ldh)	NIL	No
5	Sh. P.K. Vashishth (G.M. Finance)	3228953	Regular	FCA 36 Years	06.09.1993	60	Hero Cycles Ltd., Ldh	NIL	No
6	Sh. Ashwani Kumar Aggarwal (G.M. Export)	3201518	Regular	FCA 37 Years	06.01.1986	61	-	NIL	No
7	Sh. Anil Anand (G.M. Export)	3168571	Regular	Post Graduate 38 Years	11.01.1995	61	Malwa Cotton Spinning Mills Ltd., Ldh	NIL	No
8	Sh. Surender Kumar Bhat (General Manager)	3167531	Regular	B.Tech 40 Years	16.08.2014	62	Maral Overseas Ltd., Indore	NIL	No
9	Mr. Rajinder Kalsi (Sr. DY.G.M. (Export))	3057949	Regular	B.Tech 36 Years	16.11.1992	62	Maral Overseas Ltd.,	NIL	No
10	Mr. Shanker Dayal Awasthi (General Manager)	3044275	Regular	B.Tech 43 Years	14.05.1992	68	Vardhman Polytext Ltd.	NIL	No

**FOR AND ON BEHALF OF THE BOARD**

**Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024**

**JAWAHAR LAL OSWAL  
(CHAIRMAN)  
DIN: 00463866**



**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014****A. CONSERVATION OF ENERGY****a. Measures taken for conservation of energy**

Energy conservation is an ongoing process in our organization. The company carries out continuous monitoring, planning, development and modification in our all units to conserve energy. The company always select latest art of technology, machinery and equipment having low energy consumption. The company has also taken following measures for energy conservation:

- i. The Company has already installed 8.655 M.W. Roof Top Solar Plant at its spinning units at Village Lalru and Lehli, Distt. S.A.S.Nagar, Village Jitwal Kalan, Distt. Sangrur, Village Jodhan, Distt. Ludhiana and Village Simrai, Mandideep, Distt. Raisen(M.P.). The company is in the process of installing 3.00 M.W solar plant at company's spinning unit at village jitwal kalan, Distt. Sangrur. After completion of the said project, company's total roof top plant capacity will stand increased to 11.66 M.W. These Roof Top Solar Plants are generating clean & green energy and saving environment too. This has also resulted in saving of electricity cost to the company.
- ii. The Company is replacing old machines with ultra-modern machines which are fitted with energy efficient motors. These modern machines help in lowering the power consumption and thus saving energy.
- iii. The Company has installed digital flow meter in every bore well and taps are being checked on routine basis. In case any leakage is found, actions are taken immediately. The company has installed pizo meter to keep check on the ground water. The company has also taken initiatives to recharge rain water and installed rain water recharging pits in all of its units and has thus saved water as well as energy by improving ground water table.
- iv. The company has completed the installation of new STP with capacity of 300 KLD at Company's Spinning unit at Village Lalru and Lehli, Distt. S.A.S Nagar. The total capacity of STP has gone up to 675KLD. This will save water resources and approximate 650 KLD STP water shall be treated & used for gardening purpose.
- v. The Company has replaced all its lighting system with LED lighting and using electrical equipments with higher energy ratings and also replaced number of conventional motors starters with VFDs under energy saving projects.
- vi. The company has upgraded waste collection system and yarn conditioning plant which will lead to extensive power saving at company's spinning unit at village Jitwal Kalan, Distt. Malerkotla.
- vii. The Company is continuously monitoring Compressed air Consumption by redeeming Leakage of Machinery. Thus, the company has been able to reduce compressed air per spindle drastically.
- viii. The Company has replaced Atlas Copco Compressors with efficient Air Cooled Kaeser Compressors which will leads to increase in efficiency with added advantage of reduction in water consumption approx 5 kl/day.
- ix. The company regularly provides training to its workers towards Energy saving practices at our dedicated training center called Manav Vikas Kendra. This training provides guidance to the workers i.e. how to save energy in the plant as well as daily life at home.
- x. The Company is regularly monitoring the under optimized area of machine and optimizing the same to save power and better efficiency.

**b. Steps taken for utilizing alternate sources of energy**

The Company has already installed 8.655 M.W. Roof Top Solar Plant at its spinning units at Village Lalru and Lehli, Distt. S.A.S.Nagar, Village Jitwal Kalan, Distt. Sangrur, Village Jodhan, Distt. Ludhiana and Village Simrai, Mandideep, Distt. Raisen (M.P.). The company is in the process of installing 3.00 M.W solar plant at company's spinning unit at Village Jitwal Kalan, Distt. Sangrur. After completion of the said project, company's total roof top plant capacity will stand increased to 11.66 M.W. These Roof Top Solar Plants are generating clean & green energy and saving environment too. This has also resulted in saving of electricity cost to the company.

**c. Capital Investment on energy conservation equipments**

The Company continues to make Capital Investment on energy

conservation equipments.

**B. TECHNOLOGY ABSORPTION**

The Company continues to make efforts for Technology Absorption in all its spinning units. The efforts made by the Company are summarized as under:

**• Efforts made towards Technology Absorption**

1. The Company has installed Ultra-Modern machineries in all the Company's Spinning Units.
2. The Company has adopted the new technology of Airjet Spinning and successfully producing yarn at 98% efficiency at lower energy consumption.

**• Benefits derived**

The company has not only improved its product quality and productivity but has reduced its manufacturing costs. The Company has been able to build its Brand in the World Markets as a Manufacturer of 'world class yarn' as well as garments. This has enabled the company to compete in the global markets and expand its market to value added market segments.

**• Information regarding Technology imported during the last three years:**

Detail of Technology imported : NIL

Year of import : NA

Whether the technology has been fully absorbed : NA

If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : NA

**• Expenditure on R & D**

The R&D efforts in the company are focused not only on productivity, quality improvement with waste reduction but also developing value added products like Compact Yarn, Multi Slub yarn, Injected Slub Yarn, Dual Slub Yarn, Vario SIRO Yarn, Multi Count & Multi Twist yarn, 100% organic cotton, 100% Organic – In conversion cotton & organic cotton, Blends, Recycle cotton blends, BCI cotton, Regenagri Cotton, 100% Polyester Virgin & recycled Ring Spun Yarn, Polyester, cotton blends, Recycle Polyester blends Zero Twist yarn and Melange Yarn in different shades for Overseas & Domestic markets. The company has the latest on line & off line testing and monitoring equipments to maintain the consistency of raw material as well as finished products. The Company has been able to procure improved quality of raw material through R & D monitoring and achieve quality standards of the yarns.

**• Future Plans**

The company is committed to continue the upgradation of its R&D facilities by adding latest instruments & machineries that will strive to develop new products, keeping in view the future market requirements and will thus improve its competitiveness.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (I) Activities relating to Exports, initiative taken to increase exports, Development of New Export Markets for products and export plans. The company continued its efforts to increase its exports and diversified export Markets. The Company provides quality products at very competitive rates so that it can compete with Global suppliers and maintain a steady growth of exports.

(Rs in lakhs)

	Current Year	Previous Year
(II) Total Foreign Exchange used and earned		
a) Earning (FOB value of Exports etc.)	161331.72	111197.81
b) Outgo (CIF value of Imports, expenditure in foreign currency and other payments)	5162.22	12437.06

**FOR AND ON BEHALF OF THE BOARD**

Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024

**JAWAHAR LAL OSWAL  
(CHAIRMAN)  
DIN: 00463866**

**CORPORATE GOVERNANCE REPORT****Annexure-V**

This Report of Corporate Governance form part of the Annual Report.

**I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good CORPORATE GOVERNANCE is a key to success of business. The Company's philosophy envisages managing the company's affairs in fair and transparent manner with accountability in its operations so that Company's goal of creation and maximization of wealth of the shareholders could be achieved. Moreover, Good corporate Governance practices ensure that Company gain as well as retain the trust of Shareholders. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as "Listing Regulations") incorporate certain mandatory disclosure requirements which are required to be made with regard to Corporate Governance (Part C of Schedule V). Accordingly, we are pleased to report on the Corporate Governance as hereunder: -

**II. BOARD OF DIRECTORS:****a. Board Composition:**

Your Management believe that well informed and Independent Board is necessary to ensure High Standard of Corporate Governance. The Board oversees the Management's functions and protects the long term interest of all the stakeholders. The Listing Regulations prescribes that the Board of the Company should have optimum combination of Executive and Non-Executive Directors with at least one Women Director. Besides, where the non-executive Chairperson is promoter of the listed entity or is related to any promoter then atleast half of the Board of Directors should consist of Independent Directors.

We are pleased to inform that Company's Board is an optimal mix of Executive, Non-Executive and Independent Directors so as to maintain its Independence in Governance and Management of the Company. The present strength of the Board as on 31st March, 2024 is Ten Directors. Sh. Dinesh Oswal is Managing Director of the Company and Sh. Jawahar Lal Oswal is Non-Executive Chairman and

is one of the promoters of the Company. Accordingly, the Company's Board consists of five Independent Directors namely, Dr. Yash Paul Sachdeva, Dr. Anchal Kumar Jain, Dr. Vijay Asdhir, Dr. Roshan Lal Behl and Dr. Manisha Gupta a Women Director. Sh. Kamal Oswal, Sh. Dinesh Gogna and Sh. S.K. Sharma are other Non-executive Directors of the Company. Thus, the Company is in the compliance with the Regulation 17(b) of SEBI LODR Regulations, 2015 in respect of the Board Composition.

**b. Board Meetings held and dates on which held:**

As per the provisions of Section 173 of the Companies Act, 2013 and the rules made thereunder, read with Listing Regulations, every Company is required to hold minimum four number of Board Meetings every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive Board Meetings. We are pleased to report that the Company held four Board Meetings during the year i.e. on 30<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023, 8<sup>th</sup> November, 2023 and 10<sup>th</sup> February, 2024 with a clearly defined agenda and has thus complied with the said provisions of the Act. The agenda alongwith the explanatory notes are circulated to the directors well in advance. Every Board member can suggest the inclusion of additional items in the agenda. All the Directors strive to be present at the Board Meetings.

**c. Details of Attendance of Directors at the Board Meetings and Last Annual General Meeting:**

The participation of Non-Executive Directors and Independent Directors has been active in the Board Meetings. The names and categories of the directors on the Board, their attendance at Board Meetings held during the year and last Annual General Meeting held on Monday, September 25, 2023 and the number of directorship and committee chairmanships/memberships held by them in other public companies as on 31st March, 2024 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and companies incorporated outside India. Chairmanship/membership of Board Committees shall include only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of Listing Regulations:



Name of Directors	Category of Directors	No. of Directorship in other Public Companies	No. of Committee position held in other Public Companies		No. of Board Meetings attended	AGM Attendance	No. of Shares Held	Directorship in other Listed Entities	
			Member	Chairman				Name	Category
Mr. Jawahar Lal Oswal	Non Executive, Promoter	8	*	*	4	NO	90374	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited d) Monte Carlo Fashions Ltd.	Director
Mr. Dinesh Oswal	Executive, Promoter	6	*	*	4	YES	123766	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited	Director
Mr. Kamal Oswal	Non Executive, Promoter	7	1	*	3	NO	24750	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited d) Oswal Leasing Limited	Director
Mr. Dinesh Gogna	Non Executive	8	7	2	4	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited d) Monte Carlo Fashions Ltd. e) Oswal Leasing Limited	Director
Mr. S.K. Sharma	Non Executive	2	2	*	3	YES	21425	a) Nahar Poly Films Ltd. b) Nahar Capital and Financial Services Limited	Director
Dr. Manisha Gupta	Independent	7	7	2	4	YES	NIL	a) Nahar Poly Films Ltd. b) Nahar Capital and Financial Services Limited c) Monte Carlo Fashions Ltd. d) Nahar Industrial Enterprises Ltd. e) Oswal Leasing Ltd.	Independent Director
Dr. Vijay Asdhir	Independent	1	2	1	4	YES	NIL	a) Nahar Capital and Financial Services Limited	Independent Director
Dr. Roshan Lal Behl	Independent	7	9	5	4	YES	27	a) Nahar Industrial Enterprises Ltd. b) Nahar Capital and Financial Services Limited c) Monte Carlo Fashion Ltd. d) Oswal Leasing Ltd. e) Nahar Poly Films Ltd.	Independent Director
Dr. Yash Paul Sachdeva	Independent	2	*	*	4	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Capital and Financial Services Limited	Independent Director
Dr. Anchal Kumar Jain	Independent	2	*	*	4	YES	NIL	a) Nahar Poly Films Ltd. b) Nahar Industrial Enterprises Ltd.	Independent Director

**Note:-**\*Membership includes Chairmanship.

**d. Number of other Board of Directors or Committee in which Directors are member or chairperson:**

The information regarding the other Board of Directors or Committees in which Directors are member or chairperson as on 31st March, 2024, is already given in the table given in Para C above. None of the Director holds Directorship in more than twenty Companies and is Director of more than ten

public limited companies as prescribed under the Companies Act, 2013. Further, as per Regulation 17(A) of SEBI LODR (Amendment) Regulations, 2018 mandate that a person does not act as Director of more than seven listed entities and an independent director of more than seven listed entities.

None of the director is a member of more than Ten (10) Board level Committees or is Chairperson of



more than Five (5) such Board level Committees as required under Regulation 26(1) of SEBI LODR Regulations, 2015.

**e. Disclosure of relationships between directors inter-se:**

Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal, Director and Mr. Dinesh Oswal, Managing Director of the Company. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers. None of other Director is related to any other director within the meaning of Section 2(77) of the Companies Act, 2013.

**f. No. of Shares and Convertible Instruments held by non-executive directors:**

Mr. Jawahar Lal Oswal who is Chairman and Non Executive Promoter Director of the Company is holding 90374 equity shares of Rs. 5/- each of the Company. Mr. Dinesh Oswal, who is Managing Director of the Company, is also holding 123766 equity shares of Rs. 5/- each of the Company. Mr. Kamal Oswal, who is Non-Executive Promoter Director, is holding 24750 equity shares of Rs. 5/- each of the Company. Mr. S.K. Sharma, who is Non Executive Director, is holding 21425 equity shares of Rs. 5/- each of the Company. Likewise, Dr. Roshan Lal Behl, who is an Independent Director, is also holding 27 equity shares of Rs. 5/- each of the Company.

**g. Web link of Familiarization Programs:**

The details of Company's Policy on Familiarization Programs for Independent Directors are posted on the website of the Company and can be accessed at <http://www.owmnahar.com/spinning/pdf/familiarization-program.pdf>

**h. Board-skills/expertise/competencies:**

The Company's Board comprises qualified members who bring in the required skill/Expertise that allow them to make effective contribution to the Board and its Committees. Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations, the Board of Directors has identified the following requisite skills/ expertise and competencies required in the context of Company's business and sector to function effectively.

Sr. No.	Core Skills/Expertise/Competencies
1.	Leadership skills
2.	Industry knowledge and Experience
3.	Managerial and Entrepreneurial Skills
4.	Experience and exposure in policy shaping and industry promotion
5.	Understanding of relevant laws, rules, regulations and policies
6.	Corporate Governance
7.	Financial expertise/Knowledge
8.	Risk Management

**A Chart matrix setting out the skill/ expertise/ competency currently available in the Board:** A table showing details of Skill/ Expertise actually available with the Directors of the Company.

Directors	Industry knowledge	Leadership Skills	Managerial and Entrepreneurial Skills	Area of Expertise					
				exposure in policy shaping	Understanding of relevant laws, rules, regulations and policies	Corporate Governance	Financial expertise/ Knowledge	Risk Management	Information Technology
Mr. Jawahar Lal Oswal	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Dinesh Oswal	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Kamal Oswal	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Dinesh Gogna	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mr. S.K. Sharma	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dr. Yash Paul Sachdeva	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dr. Anchal Kumar Jain	YES	YES	YES	YES	YES	YES	-	YES	YES
Dr. Manisha Gupta	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dr. Vijay Asdhir	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dr. Roshan Lal Behl	YES	YES	YES	YES	YES	YES	YES	YES	YES

**i. Confirmation of Independent Directors and their registration with Databank:**

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfill the conditions required for independent directors as specified in the Listing Regulations and are independent of the management.

**j. Resignation of an Independent Director:**

Pursuant to Clause C(2)(j) of Schedule V read with Regulation 34(3) of Listing Regulations, requirement of providing the detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons is not applicable as no Independent Director has resigned during the year under review.

**k. Separate Meeting of Independent Directors:**

As per the provisions of the Companies Act, 2013 and the rules made thereunder the Independent Directors are required to hold atleast one meeting in a year without the attendance of Non Independent Directors and members of Management. We are pleased to report that the Company's Independent Directors met on 15<sup>th</sup> November, 2023 without the attendance of Non-Independent Directors and members of Management. All the 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 Director and Non-Executive Directors;
- iii. Assessed the quality, quantity 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.

Further, it is confirmed that in the opinion of the Board, the Independent directors fulfill the conditions specified in these regulations and are independent of the Management.

### III. BOARD COMMITTEES

The Board has constituted several committees namely; Audit committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee, CSR Committee and Share Transfer Committee which helps the Board in good Corporate Governance. The recommendation of the committees are submitted to the Board for their consideration and approval. During the year under review, all recommendations of Committees were approved by the Board.

#### 1. AUDIT COMMITTEE

##### a. Brief Description of Terms of Reference:

The Board has constituted an independent and qualified Audit Committee. The term of reference of the Audit Committee is as per Part C of Schedule II of SEBI LODR Regulations, 2015 and Section 177(4) of the Companies Act, 2013.

##### b. Composition:

The Audit Committee comprises of three Directors under the chairmanship of Dr. Vijay Asdhir, who is an Independent Director. Mr. Dinesh Gogna, Non Executive Director, Dr. Roshan Lal Behl, Independent Director are the other two members of the Audit Committee as on 31st March, 2024.

Dr. Vijay Asdhir is M.Com, Ph.D. having more than 42 years experience in Teaching Business and Administration. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana. Accordingly, Dr. Vijay Asdhir is financially literate and has required accounting and financial management related expertise. Dr. Roshan Lal Behl is M.Com, MBA (Financial Management) and Ph.D (Corporate Disclosure Practices of Indian Companies) and is having 42 years of experience in Teaching and Administration. He retired as principle of Aurbindo College of Commerce, Ludhiana. Likewise, Mr. Dinesh Gogna is having 46 years of experience in corporate Finance, Taxation, Financial and Accounting matters. Mr. Brij Sharma is the Secretary of the Committee. Mr. Anil Garg who is the Chief Financial Officer is a permanent invitee of the Committee. The Statutory Auditors and Internal Auditors are also invited to attend the meetings as and when felt necessary and as per relevant provisions of the applicable laws/rules.

The Primary objective of Audit Committee is to monitor and provide an effective supervision on the Management financial reporting process, to ensure timely and accurate disclosure. Besides, the committee also oversees the work of internal and statutory auditors.

##### c. Meetings and Attendance:

During the financial year 2023-24, the Committee met four times i.e. on 30<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023, 8<sup>th</sup> November, 2023 and 10<sup>th</sup> February, 2024, for reviewing and adopting the quarterly un-audited / audited financial results as well as the financial statements before recommending the same to the Board of Directors for their perusal and adoption.

The attendance record of the Audit Committee Members at the Meetings held during the year 2023-24 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. Vijay Asdhir	4	4
Mr. Dinesh Gogna	4	4
Dr. Roshan Lal Behl	4	4

### 2. NOMINATION AND REMUNERATION COMMITTEE

##### a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board constituted the Nomination and Remuneration Committee. The broad term of reference of the Nomination and Remuneration Committee is as per the requirements of Part D of Schedule II of SEBI LODR Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee identifies the persons who are suitable and qualified enough to become directors and who may be appointed in senior management category in accordance with the criteria laid down and recommend to the Board their appointment and removal. It carries out evaluation of every director's performance. The Committee also ensures that Company's remuneration policies in respect of Managing Director, Key Managerial Personnel and Senior Executives are competitive so as to recruit and retain best talent in the Company. It also ensures that appropriate disclosure of remuneration paid to the Directors, Managing Director, KMP and Senior Executives as per the applicable provisions of the Companies Act, 2013 and also devises a policy on "Diversity of Board of Directors". The company policy on Appointment and Remuneration of Directors has also been updated on Company's website i.e. [www.owmnahar.com](http://www.owmnahar.com).



**b. Composition:**

The Nomination and Remuneration Committee comprises of three Independent Directors namely; Dr. Yash Paul Sachdeva as the Chairman, Dr. (Mrs.) Manisha Gupta and Dr. Roshan Lal Behl as the members of the Committee as on 31<sup>st</sup> March, 2024.

**c. Meetings and Attendance:**

The Nomination and Remuneration Committee met two times during the year i.e. on 30<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023. The attendance record of the members at the meetings held during the year 2023-24 is as under:

Name of member	No. of Meetings Held	No. of Meetings Attended
Dr. Roshan Lal Behl	2	2
Dr. Manisha Gupta	2	2
Dr. Yash Paul Sachdeva	2	2

**d. Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of parameters for evaluation includes education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement and contribution, independence of judgment, ability to communicate effectively with other board members and management, effective decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

**e. Senior Management**

Particulars of Key Managerial Personnel and Senior Management Personnel are given hereunder:

Name of Key Managerial Personnel	Category
Mr. Dinesh Oswal	Managing Director
Mr. Anil Garg	Chief Financial Officer
Mr. Brij Sharma	Company Secretary

Name of Senior Management	Category
Mr. Komal Jain	Chief Executive Officer
Mr. Mukesh Rustagi	Chief Executive Officer, spinning units, at village Jitwal Kalan and at village Jodhan
Mr. Prem Kishore Vashishth	General Manager (Finance)
Mr. Anil Anand	General Manager (Export)
Mr. Ashwani Kumar Aggarwal	General Manager (Export)
Mr. Suresh Puri	General Manager, spinning unit, at village Lalru and Lehli (Punjab)
Mr. S.k. Bhatt	General Manager, spinning unit, Mandideep (M.P.)
Mr. Sohinder Singh	President(Marketing)
Mr. Anil Sharma	Vice President (Personnel)
Mr. Rajneesh Kumar Jain	Vice President (IT)

\*Mr. S.D. Awasthi, General Manager of Rishab Spinning Mills, a spinning unit of the company at Village Jodhan, Distt. Ludhiana

retired on 31st March, 2024. Mr. Mukesh Rustagi, Chief Executive Officer of Nahar Fibres, a spinning unit of the company, at jitwal Kalan, Malerkotla, Distt. Sangrur, has been given responsibility to look after Rishab Spinning Mills also w.e.f. 1st April, 2024.

**f. REMUNERATION OF DIRECTORS**

**i. Pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company:**

Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 and as per the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, the Members approved vide their special resolution the payment @0.50% of Export Sales of the Company to Sh. Jawahar Lal Oswal, Non-Executive Director/ Chairman of the Company w.e.f. 1<sup>st</sup> April, 2023 till the remaining period of his appointment i.e.30<sup>th</sup> September, 2024. The special resolution seeking shareholder's approval for the payment of fee @0.50% of Export Sales of the company to Sh. Jawahar Lal Oswal from 1<sup>st</sup> October, 2024 to 30<sup>th</sup> September, 2027 has been proposed at the ensuing Annual General Meeting.

**ii. Criteria of making payment to non-executive directors:**

The Non-Executive Directors are paid remuneration in the form of sitting fee of Rs. 10,000/- per meeting for attending the Board Meeting of the Company. The details of sitting fee paid to Non-Executive Directors during the year 2023-24 is as follows:

Name of Director	Sitting Fees (Rs.)
Mr. Jawahar Lal Oswal	*91423539.00
Mr. Kamal Oswal	30000
Mr. Dinesh Gogna	40000
Mr. S.K. Sharma	30000
Dr. Vijay Asdhir	40000
Dr. (Mrs.) Manisha Gupta	40000
Dr. Roshan Lal Behl	40000
Dr. Yash Paul Sachdeva	40000
Dr. Anchal Kumar Jain	40000
<b>Total</b>	<b>91723539.00</b>

\*It also includes the amount of fee paid as per the shareholders' approval vide their special resolution dated 25<sup>th</sup> September, 2023.

**iii. Disclosures with respect to remuneration:**

The non-executive directors of the Company are being paid sitting fee for attending the Board Meeting. Mr. Dinesh Oswal, being the Managing Director of the Company has been paid remuneration as per shareholders' approval vide special resolution dated 29th September, 2021 under Section 197 read with Schedule V of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 for five years



from 1st January, 2022 upto 31st December, 2026. The disclosure in respect of remuneration paid to Mr. Dinesh Oswal is as detailed below:

**iv. Elements of remuneration package**

The elements of remuneration package paid to Mr. Dinesh Oswal, Managing Director of the Company, during the year 2023-24 is as follows:

Name of Director	Salary & Perks	Commis sion	Benefits	Bonuses	Stock Option	Pension	Total
Mr. Dinesh Oswal	*148870023.00	-	-	-	-	-	*148870023.00

*\*Note: Pursuant to the provisions of Section 197 (1) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 read with schedule V and other applicable provisions, the Company got approval of the shareholders vide Special Resolution dated 29<sup>th</sup> September 2021 for the payment of remuneration as mentioned in the resolution for five years from 1st January, 2022 upto 31st December, 2026.*

**v. Details of fixed component and performance linked incentives, along with performance criteria:**

The fixed Component of remuneration of Managing Director includes salary, H.R.A, perquisites and retirement benefits. He is also entitled to 2% commission of the net profits of the company, as per the shareholder approval vide their special resolution dated 29<sup>th</sup>September, 2021 under the companies Act, 2013.

**vi. Service contracts, notice period, severance fees;**

The tenure of office of the Managing Director is for five years from the respective date of appointment and same can be terminated by either party by giving three months notice in writing. There is no separate provision for payment of severance fees.

**vii. Stock option details:**

None of the Non Executive Directors has been granted any stock option by the Company.

**3. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**a. Brief Description of Terms of Reference:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee. The Committee looks into the complaints/grievances of shareholders in respect of transfer/transmission of shares, Non receipt of Dividend, Share Certificates, Dematerialisation and Annual Reports etc. and recommends measures for improving the quality of investor service. The committee also oversees the performance of M/s Alankit Assignment Ltd. the Registrar and Transfer Agent of the Company. The main objective the committee is to assist the Board and Company in maintaining healthier relationship with all stakeholders.

**b. Composition:**

The Stakeholders' Relationship Committee comprises of three Non Executive Directors under the Chairmanship of Dr. Vijay Asdhir an Independent Director. Dr. Anchal Kumar Jain, Independent Director and Mr. S.K. Sharma, a Non Executive Director are the other two members of the Committee as on 31st March, 2024.

**c. Meetings and Attendance**

The Committee met four times i.e. on 30<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023, 8<sup>th</sup> November, 2023 and 10<sup>th</sup> February, 2024 during the year under review. The attendance record of the members at the meetings held during the year 2023-24 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. Vijay Asdhir	4	4
Mr. S.K. Sharma	4	3
Dr. Anchal Kumar Jain	4	4

**d. Name and Designation of Compliance Officer**

Mr. Brij Sharma, Company Secretary is the Compliance Officer of the Company.

**e. Details of Investors' complaints received /resolved/not solved to the satisfaction of shareholders/pending:**

The Company has been quick in redressed of the grievances of the shareholders and has attended to most of the investors correspondence/grievances within a period of 7 to 10 days from the date of the receipt of the same. The details of Investors' complaints received/resolved/not solved to the satisfaction of shareholders/pending is given here below:

**No. of complaints received during the financial year** : EIGHT  
**No. of complaints resolved during the financial year** : EIGHT  
**No. of complaints not solved to the satisfaction of shareholders** : NIL  
**No. of complaints pending as on 31<sup>st</sup> March, 2024** : NIL

**f. Dedicated e-mail for Investor Grievance**

To enable investors to register their grievances, the Company has designated an exclusive e-mail id i.e. gredressalnsml@owmnahar.com.

**4. RISK MANAGEMENT COMMITTEE**

**a. Brief Description of Terms of Reference:**

As per the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015, Top 1000 listed entities determined on the basis of market capitalization as at the end of immediate previous financial year shall



constitute a Risk Management Committee. Accordingly, in compliance of the said LODR Regulations, the company has already constituted a Risk Management Committee to frame, implement and monitor the risk management plans for the company.

**b. Composition:**

The Risk Management Committee comprises of three Directors under the chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Dr. Anchal Kumar Jain and Dr. Roshan Lal Behl, Independent Directors are the other two members of the Committee as on 31<sup>st</sup> March, 2024.

The main term of reference of the Committee is to review and monitor the risks associated with Company's business and suggest measures for mitigation of the same as per Company's Risk Management Policy.

No business is free from Normal Business Risks i.e. Financial Risk, Exchange Risk, Operational risks such as fluctuation in Cotton Prices, Policy Risk, Global Risk, Regulatory Risk, Cyber Security Risk etc. The risk management committee review the risks which the company may face & take suitable measure in this regard so that company could mitigate the risks associated with the business. The Committee is responsible for monitoring and reviewing the risk management policies and ensuring its effectiveness.

**c. Meetings and Attendance**

The Risk Management Committee met two times during the year i.e. 17<sup>th</sup> April, 2023 and 11<sup>th</sup> October, 2023. The attendance record of the members at the meetings held during the year 2023-24 is as under:

Name of member	No. of Meetings Held	No. of Meetings Attended
Sh. Dinesh Oswal	2	2
Dr. Roshan Lal Behl	2	2
Dr. Anchal Kumar Jain	2	2

**5. OTHER COMMITTEES****1. SHARE TRANSFER COMMITTEE**

The Company has also constituted a Share Transfer Committee comprising of 4 (four) members under the Chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Mr. Dinesh Gogna and Mr. S.K. Sharma, Directors of the Company and Mr. Brij Sharma, Company Secretary of the Company, are the members of the Committee. The Committee is responsible for approving the transfer and transmission of securities, Dematerialisation of shares, issuance of duplicate share certificates and other shareholders related issues. The Committee met twenty two times during the year under review i.e. 15th April, 2023, 29th April, 2023, 15th May,

2023, 31st May, 2023, 17th June, 2023, 30th June, 2023, 15th July, 2023, 31st July, 2023, 17th August, 2023, 30th August, 2023, 18th September, 2023, 30th September, 2023, 16th October, 2023, 31<sup>st</sup> October, 2023, 15th November, 2023, 15th December, 2023, 30th December, 2023, 15th January, 2024, 31st January, 2024, 29<sup>th</sup> February, 2024, 15th March, 2024 and 30th March, 2024 and the attendance record of the members at the meetings held during the year 2023-24 is as under:-

Name of member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	22	22
Mr. Dinesh Gogna	22	22
Mr. S.K. Sharma	22	22
Mr. Brij Sharma	22	22

Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the shares (in respect of which dividend remained unpaid/unclaimed for a period of seven consecutive years) to the DEMAT account of IEPF Authority as per applicable Rules. Details of shares transferred to the IEPF Authority are available on the Company's website and can be accessed through the link: <http://www.owmnahar.com/spinning/transfer-of-equity-shares-to-IEPF.php>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link <http://www.iepf.gov.in>.

The Shareholders can claim their subject shares/dividend by making an application to the IEPF Authority in e-Form IEPF-5 as per procedure provided under Rule 7 of the IEPF Rules. The Shareholders can also view the procedure at [www.iepf.gov.in](http://www.iepf.gov.in).

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27<sup>th</sup> December, 2002; the Company has appointed M/s. Alankit Assignments Ltd, as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, investors, members of Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer/transmission, Demat, Remat, Change of Address etc. to our Registrar, whose address and telephone no etc. has already been mentioned in Director's Report.

**2. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE****a. Brief Description of Terms of Reference:**

The Board has constituted Corporate Social





Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility policy) Rules, 2014. The Committee formulated and recommended Company's CSR policy to the Board which was approved and adopted by the Board of Directors. The Company's CSR policy is also available on Company's website i.e. www.ownahar.com. As per policy, Company is undertaking CSR activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation which is a Registered Society formed in 2006. The committee overseas and monitors the activities /programmes/projects undertaken by Oswal Foundation.

**b. Composition**

The CSR Committee comprises of three Directors under the chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Dr. Yash Paul Sachdeva, Independent Director and Mr. Dinesh Gogna, Non- Executive Director, are the other two members of the Committee.

**c. Meetings and Attendance**

During the year under review, the Committee met three times i.e. on 30<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023 and 10<sup>th</sup> February, 2024. The attendance record of the members at the meeting held during the year 2023-24 is as under:-

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	3	3
Mr. Dinesh Gogna	3	3
Dr. Yash Paul Sachdeva	3	3

The CSR report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended for the financial year ended 31st March, 2024 is attached as Annexure I to the Directors' Report.

**IV. GENERAL BODY MEETINGS****a. Location and time, where last three Annual General Meetings held:**

Financial Year	Location	Date	Time
2020-2021	Through Video Conferencing/Other Audio Visual Means at the Regd. Office at 373, Industrial Area-A, Ludhiana.	29.09.2021	10.00 A.M.
2021-2022	Through Video Conferencing/Other Audio Visual Means at the Regd. Office at 373, Industrial Area-A, Ludhiana.	24.08.2022	10.00 A.M.
2022-2023	Through Video Conferencing/Other Audio Visual Means at the Regd. Office at 373, Industrial Area-A, Ludhiana.	25.09.2023	10.00 A.M.

**b. Whether any Special Resolutions passed in the previous three Annual General Meetings:****2020-21**

1. Re-appointment of Mr. Dinesh Oswal as Managing

Director of the Company, as approved by the shareholders on 29th September, 2021 under section 196, 197 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013.

2. To approve payment of fee to Mr. Jawahar Lal Oswal, Non-Executive Director of the Company, as approved by shareholders on 29th September, 2021 under section 197 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013.
3. To approve continuation of holding of office as Independent Director by Dr. Vijay Asdhir (DIN: 06671174), on attaining the age of 75 years.
4. To approve continuation of holding of office as Independent Director by Amrik Singh Sohi (DIN: 03575022), on attaining age of 75 years.

**2021-22**

1. To appoint Dr. Yash Paul Sachdeva (DIN: 02012337), as an Independent Director of the company.
2. To appoint Dr. Anchal Kumar Jain (DIN: 09546925), as an Independent Director of the company.
3. To re-appoint Dr. Vijay Asdhir (DIN: 06671174), as an Independent Director of the company.
4. To re-appoint of Dr. Manisha Gupta (DIN: 06910242), as an Independent Director.
5. To approve the payment to Mr. Jawahar Lal Oswal, Non-Executive Director of the company under regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. To approve payment of remuneration to Mr. Dinesh Oswal (DIN: 00607290) Managing Director of the Company under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**2022-23**

1. To approve increase in the fee payable to Mr. Jawahar Lal Oswal, Non-Executive Director/ Chairman of the company.
2. To approve increase in Borrowing Limit of the Company.
3. To create charges/mortgages on the assets of the company for securing the loan availed/to be availed by the company.

**c. Whether any Special Resolution passed last year through postal ballot.**

No Special Resolution was passed during the financial year ended 31.03.2024 through postal ballot.



**d. Person who conducted the postal ballot exercise:**

Not applicable as no special resolution was passed during the financial year ended 31.03.2024 through postal ballot.

**e. Whether any special resolution is proposed to be conducted through postal ballot.**

Presently, no Special Resolution is proposed to be conducted through postal ballot.

**f. Procedure for postal ballot.**

Whenever any special resolution will be conducted through postal ballot, the procedure for postal ballot shall be as per the applicable provisions of Companies Act, 2013 read with SEBI LODR Regulations, 2015.

**V. MEANS OF COMMUNICATION**

**a. Quarterly Results:**

The Company's quarterly results in the format prescribed by the Listing Regulations, are approved and taken on record by the Board within the prescribed period under the Regulations and submitted immediately by uploading on the website of BSE Limited and National Stock Exchange of India Limited, on which the Company's shares are listed.

**b. Newspapers wherein results normally published:**

The financial results of the Company are published in leading News Paper i.e. Business Standard /Financial Express in English and Punjabi Jagran in vernacular.

**c. Any website, where displayed:**

The Company's Quarterly, Half yearly and Annual Results are also displayed on the website of the Company i.e. www.ownahar.com. The Quarterly and Annual Financial Statement along with the Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report, Cash Flow Statement, Corporate Governance Report, Report on Management Discussion and Analysis and Shareholding Pattern etc. can also be retrieved by the investors from the website of the Company, BSE Limited and National Stock Exchange of India Limited.

**d. Whether it also displays official news releases**

Whenever any official news is released, the same is also displayed on the Company's website i.e. www.ownahar.com.

**e. Presentations made to institutional investors or to the analysts:**

Whenever any presentation about Company's working is made to the Financial Institutional Investors or to the Analyst, the same is displayed on the Company's Website i.e. www.ownahar.com.

**VI. GENERAL SHAREHOLDERS INFORMATION**

**a. Annual General Meeting**

<b>Date</b>	: 25 <sup>th</sup> September, 2024
<b>Day</b>	: Wednesday
<b>Time</b>	: 10.00 A.M
<b>Venue</b>	: The Company is conducting the Meeting through Video Conferencing/Other Audio Visual Means as permitted by Ministry of Corporate Affairs. Hence, the venue of the Meeting shall be deemed to be the registered office of the Company. For details please refer to the Notice of this AGM.

**b. Financial Year**

Financial year of the Company comprises of twelve months i.e. 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024

**c. Dividend Payment**

On or before 5<sup>th</sup> October, 2024

**d. Date of Book Closure:**

7<sup>th</sup> September, 2024 to 12<sup>th</sup> September, 2024 (both days inclusive)

**e. Name and address of Stock Exchanges at which the securities of the Company are listed:**

The National Stock Exchange of India Ltd (NSE) Exchange Plaza", Plot No. C/1 G-Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051	The BSE Limited (BSE) 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400 001.
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The listing fees payable to BSE and NSE for 2024-25 have been paid in full by the Company.

**f. Stock code:**

For trading at NSE : NAHARSPING  
For trading at BSE : 500296

**g. Demat ISIN number in NSDL and CDSL for Equity Shares: INE290A01027**

The annual custodian fees for the financial year 2024-25 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**h. Market Price Data-high low during each month in last financial year**

The Company's equity shares are listed at BSE and NSE. Accordingly the month wise High and Low stock prices from April, 2023 to March, 2024 are as follows:

Month	BSE		NSE	
	High	Low	High	Low
April, 2023	310.50	242.65	311.00	242.00
May, 2023	296.00	259.75	296.65	258.85
June, 2023	293.50	259.10	293.95	260.35
July, 2023	281.00	253.85	280.00	251.10
August, 2023	291.90	233.00	293.00	232.00
September, 2023	299.00	260.00	299.95	259.15
October, 2023	302.00	252.75	302.25	253.25
November, 2023	324.70	248.00	325.00	255.05
December, 2023	319.90	270.00	320.60	270.00
January, 2024	332.75	271.00	333.00	270.95
February, 2024	361.95	282.15	359.60	280.80
March, 2024	333.05	263.25	333.00	264.15

Source: Data has been taken from the website of the BSE and NSE. The Company does not have any other sources for verification of data.



**i. Performance in comparison to broad based indices such as BSE Sensex**

The Company's equity shares are listed at BSE and NSE. Accordingly, comparison between Nahar Spinning Mills Limited closing price variation and BSE Sensex in percentage from April, 2023 to March, 2024 is as under:

Year 2023-24	Share Prices of Nahar Spinning Mills Limited				BSE Sensex			
	Highest	Lowest	Closing	%age Change over last Month's Closing	Highest	Lowest	Closing	%age Change over last Month's Closing
April, 2023	310.50	242.65	285.45	18.76	61209.46	58793.08	61112.44	3.59
May, 2023	296.00	259.75	261.25	-8.48	63036.12	61002.17	62622.24	2.47
June, 2023	293.50	259.10	271.85	4.06	67468.58	62359.14	64718.56	3.35
July, 2023	281.00	253.85	257.20	-5.39	67619.17	64836.16	66527.67	2.79
August, 2023	291.90	233.00	275.10	6.96	66658.12	64723.63	64831.41	-2.55
September, 2023	299.00	260.00	264.65	3.80	67927.23	64818.37	65828.41	1.54
October, 2023	302.00	252.75	274.30	3.65	66592.16	63092.98	63874.93	-2.97
November, 2023	324.70	248.00	307.50	12.10	67069.89	63550.46	66988.44	4.87
December, 2023	319.90	270.00	283.20	-7.90	72484.34	67149.07	72240.26	7.84
January, 2024	332.75	271.00	322.50	13.88	73427.59	70001.60	71752.11	-0.67
February, 2024	361.95	282.15	319.00	-1.08	73413.93	70809.84	72500.30	1.04
March, 2024	333.05	263.25	266.80	-16.36	74245.17	71674.42	73651.35	1.59

Source: Data has been taken from the website of the BSE. The Company does not have any other sources for verification of data.

**j. In case the securities are suspended from trading, reason thereof**

The Company's securities have not been suspended from trading during the year under review.

**k. Registrar to an issue and Share Transfer Agents**

As per SEBI Circular No. D&CC/FITTC/CIR15/2002 dated 27th December, 2002; the Company has appointed M/s Alankit Assignments Ltd. New Delhi, as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the Shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer/Transmission, Demat/Remat, Change of Address etc. to our Registrar whose address and telephone nos. etc. have already been mentioned in the Directors' Report.

In case any query/complaint remains unresolved with our Registrar, please write to the Company Secretary at the Registered Office of the Company.

Members may kindly note that the Registrar & Transfer Agent and/or the Company will not entertain request for noting of change of address/bank details/ECS mandate in case of accounts with Demat holding. For this purpose, shareholders should approach their Depository Participant.

**l. Share Transfer System**

The Company has constituted a Share Transfer Committee consisting of four members, namely Mr. Dinesh Oswal, Managing Director, Mr. Dinesh Gogna, Mr. S.K. Sharma, Directors and Mr. Brij Sharma, Company Secretary of the Company. Share

Transfer Committee meets once/twice in a month to approve the transfer / transmission / transposition / change of name, issue of duplicate share certificates & dematerialization of shares as per the procedure prescribed under the Companies Act, 2013 / Listing Regulations.

As required under Regulation 40(9) of the SEBI LODR Regulations, 2015, a certificate is obtained at the end of Financial Year from a Practicing Company Secretary within Thirty days from the end of financial year certifying that all share certificates/ Letter of Confirmations have been issued within thirty days of their lodgment for transfer, transmission, change of name, transposition, sub-division, consolidation, renewal and exchange or endorsement. The certificate is forwarded to BSE and NSE where the Equity Shares of the Company are listed.

**m. Distribution of Shareholding**

As on 31st March, 2024, your Company had 31839 shareholders having a total of 3,60,65,303 Equity Shares. The following is the distribution of Shareholding:

No. of Shares Held	No. of holders	Percentage of Shareholders	Aggregate shares held	Percentage of Shareholding
1-500	29291	92.00	3172865	8.80
501-1000	1422	4.47	1073647	2.98
1001-2000	605	1.90	887603	2.46
2001-3000	197	0.62	498299	1.38
3001-4000	85	0.27	306654	0.85
4001-5000	61	0.19	283438	0.79
5001-10000	100	0.31	755015	2.09
10001 and above	78	0.24	2908782	80.65
<b>Total</b>	<b>31839</b>	<b>100.00</b>	<b>36065303</b>	<b>100.00</b>

**n. Shareholding Pattern as on March 31, 2024**

Shares held by	No. of Shares	Percentage of Shareholding
Banks and Mutual Funds	212114	0.59
Foreign holdings (FIIs, NRIs, OCBs)	206003	0.57
Trust	90	0.00
Bodies Corporate	284628	0.79
Directors/Relatives of Directors	34989	0.10
General Public	10026049	27.80
HUF	479365	1.33
*Promoter	24177370	67.03
Shares Transferred to IEPF	644227	1.79
Unclaimed or Suspense or Escrow Account	468	0.00
<b>Total</b>	<b>3,60,65,303</b>	<b>100.00</b>

\*20000 Equity Shares of the company were purchased by Nahar Capital and Financial Services Limited, (Promoter Group Company) on 28.03.2024 through Open Market and the delivery of said shares was credited to their DEMAT account No. IN30133019970279 with Stock Holding Corporation Limited on 02.04.2024. The Intimation for the same has given to Stock Exchanges on dated 30.03.2024

**o. Dematerialisation of Shares and Liquidity**

As on 31<sup>st</sup> March, 2024, 3,55,32,475 comprising 98.52% of the total Equity Capital of the Company



has been dematerialized. Equity Shares of the Company are actively traded on the BSE Limited and the National Stock Exchange of India Limited. To facilitate holding and trading of securities in electronic form, your Company has established connectivity with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). The investors have an option to dematerialize their equity shares with either of the Depositories.

Further, the Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated that listed companies to issue the securities in dematerialized form only while processing the service requests for: 1. Issue of duplicate securities certificate; 2. Claim from Unclaimed Suspense Account; 3. Renewal / Exchange of securities certificate; 4. Endorsement; 5. Sub-division / Splitting of securities certificate; 6. Consolidation of securities certificates/folios; 7. Transmission; 8. Transposition.

**p. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity**

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any Convertible Instruments, which is likely to have any impact on the equity of the Company.

**q. Commodity price risk or foreign exchange risk and hedging activities**

The Company is in the Manufacturing of Yarn and Garments under the main head 'Textiles'. The Company has not dealt in any commodity market and thus there is no commodity price risk. Since the Company is in the export of Yarns/Garments Business, to cover itself from exchange rate fluctuations it goes in for partial hedging by normal booking in the normal course of the business. The Company is not involved in any speculative activities.

**r. Plant Locations:**

375, Industrial Area-A, Ludhiana  
427, Industrial Area-A, Ludhiana  
Dhandari Kalan, G.T.Road, Ludhiana  
Village Simrai, Mandideep, Distt. Raisen (M.P.)  
Village Lalru and Lehli, Distt. S.A.S. Nagar (P.B)  
Village Jalalpur, Distt. S.A.S. Nagar (P.B)  
Village Jodhan, Distt. Ludhiana  
Village Jitwal Kalan, Tehsil Malerkotla, Distt. Sangrur

**s. Address for correspondence:**

“NAHAR TOWER”

373, Industrial Area-A,  
Ludhiana-141003 (Pb.)

Phone No : 0161-2600701

Fax No. : 0161-2601956, 2222942

E-mail address: secnsm@owmnahar.com

Website : www.owmnahar.com

**t. Credit Ratings:**

We would like to inform you that, the Credit Rating Information Services of India Ltd. (CRISIL) vide its letter no. RL/NAHSPIN/326730/BLR/0823/68934 dated August 29, 2023 has intimated company's rating outlook on the long term bank facilities 'CRISIL A/Negative'. The rating on short-term bank facility has been reaffirmed at 'CRISILA1'.

**u. KYC Updation:**

Pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023, the Company has already dispatched letters to the physical shareholders of the Company in July, 2024 for mandatory furnishing/ updating of PAN, KYC details and Nomination by holders of physical securities in the prescribed forms i.e. ISR-1, ISR-2, SH-13/ ISR-3/ SH-14. SEBI has also mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. All the shareholders are requested to kindly update their KYC detail and forward the duly filled in Forms along with the related proofs to the Company at its Registered Office at 373, Industrial Area-A, Ludhiana – 141003 or Registrar and Transfer Agent at M/s. Alankit Assignments Limited, Unit: Nahar Spinning Mills Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055 at the earliest in order to avoid any delay in receipt of dividend. The aforesaid forms can be downloaded from the website of the Company at: [http://www.owmnahar.com/spinning/kyc\\_updation.php](http://www.owmnahar.com/spinning/kyc_updation.php)

**VII. OTHER DISCLOSURES**

**1. Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of the Company at large:**

During the year, 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 with the interest of the Company at large. During the year, the Company had not entered into any contract / arrangement / transactions with related parties which could be considered material in



accordance with the provisions of Regulation 23 of SEBI (LODR) Regulations, 2015. However, the normal sale and purchase transactions which take place in the ordinary course of business on Arm's length basis with the Group Companies are disclosed in the Notes to the Financial Statements as per applicable provisions.

**2. Details of Non-compliance by the Company, penalties, strictures imposed by Stock Exchanges or the Board or any Statutory Authority on any matter related to capital markets during the last three years:**

The Company continues to comply with the regulations of Stock Exchanges, SEBI or any statutory authority on all matters related to capital market during last three years. No penalty/stricture imposed by Stock Exchanges on any matter related to capital markets during the last three years.

**3. Details of establishment of Vigil Mechanism/ Whistle Blower Policy:**

The Board, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2013, has established a Whistle Blower Policy/Vigil Mechanism for its directors and employees to report genuine concerns or grievances about the unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy. The Policy also enables the adequate safeguards against victimization of persons who use such mechanism. The Audit Committee regularly reviews the working of the Mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website and can be accessed at [http://www.owmnaahar.com/spinning/pdf/vigil\\_mechanism.pdf](http://www.owmnaahar.com/spinning/pdf/vigil_mechanism.pdf)

**4. Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

The Company has complied with all the mandatory requirements of Corporate Governance as prescribed in SEBI (LODR) Regulations, 2015. Besides, the Company has also complied with the non mandatory requirements in respect of Corporate Governance as specified Part E of Schedule II of SEBI (LODR) Regulations, 2015 as detailed below:

- i. **Un-modified opinion(s) in audit report:** The Company is already in a regime of financial statements with un-modified audit opinion.
- ii. **Separate post of Chairperson and the Managing Director:** Mr. Jawahar Lal Oswal is the Chairman of

the Company and Mr. Dinesh Oswal is Managing Director of the Company. Thus, the post of Chairman and Managing Director are held by different persons.

- iii. **Reporting of internal auditor:** The internal auditor may report directly to the Audit Committee.

The Company is yet to comply with other non mandatory requirements of the Corporate Governance as specified in Part E of Schedule II of the SEBI (LODR) Regulations, 2015.

**5. Web link where policy for determining 'material' subsidiaries is disclosed:**

The requirement of policy for determining 'material' subsidiaries is not applicable to the Company as it does not have any subsidiary Company.

**6. Web link where policy on dealing with related party transactions is disclosed:**

The Company has formulated the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, which can be accessed at <http://www.owmnaahar.com/spinning/pdf/RPT-NAHAR-SPINNING-2022.pdf>

**7. Disclosure of commodity price risks and commodity hedging activities:**

The Company is engaged in the textiles Business and the Primary raw material for the manufacturing of the Yarns is raw cotton with the share of around 60% of total cost. The cotton being a seasonal agriculture produce, its supply, quality and prices are subject to forces of nature i.e. Monsoon. The Company purchases the raw cotton as per the Company procurement policy so that it is able to run its plant for the whole year. During the year, the Company has not dealt in any commodity market, thus there is no commodity price risk. Further, the Company is not involved in hedging/speculative activities.

**8. Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

**9. Certification from Company Secretary in Practice:**

Mr. P.S. Bathla (C.P No. 2585), Proprietor of M/s. P.S. Bathla & Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such other authority. The certificate is attached with this Report.

**10. Recommendation of Committees:**

In the financial year 2023-24 the Board has accepted all recommendations of its Committees.

**11. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.

**12. Fees paid to Statutory Auditors:**

During the year company paid an Audit fees of Rs. 16,98,000.00 /- and out of Pocket Expenses of Rs. 17441.00/- to Statutory Auditors.

**13. Dividend Distribution Policy:**

As per regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, top 1000 listed companies determined on the basis of Market Capitalization as at the end of the immediate financial year are required to formulate a dividend distribution policy. The Board of Directors in their Meeting held on 31<sup>st</sup> May, 2021 has already approved and adopted the Dividend Distribution Policy. This policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is available at company's website and can be accessed at [http://www.ownahar.com/spinning/pdf/dividend\\_distribution.pdf](http://www.ownahar.com/spinning/pdf/dividend_distribution.pdf)

**14. Business Responsibility and Sustainability Report:**

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that top 1000 listed entities based on market capitalization shall submit a Business Responsibility and Sustainability Report (herein referred as BRSR) in the format prescribed by the SEBI from time to time. In compliance with SEBI (LODR) Regulations, 2015, Business Responsibility and Sustainability Report indicating company's performance against the principles of 'National Guidelines on Responsible Business Conduct', for the year ended 31st March, 2024, has been uploaded on Company's website at: <http://www.ownahar.com/spinning/pdf/BRSR-2023-24.pdf>

**15. Insurance Policy For Directors And Officers**

As per Regulation 25 (10) of Listing Regulations, top 1000 listed entities are required to undertake Director and Officer Insurance Policy. We would like to inform you that for ensuring good Corporate

governance and also to comply with the regulation of SEBI (LODR) Regulations, 2015 company has already taken Directors and Officers insurance ('D and O insurance') Policy.

**16. Prevention of Insider Trading:**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) as amended, the Company has accordingly amended its "Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of Conduct to regulate, monitor and report trading by insiders. The Codes help to regulate trading in securities by the designated persons. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary being the Compliance Officer is responsible for implementation of the Code. Pursuant to provisions of Regulation 3(5) and 3(6) of PIT Regulations, the Company has a Structured Digital Database (SDD) in place and is maintained as per the requirements stipulated under PIT Regulations.

**17. Reconciliation of Share Capital Audit**

Pursuant to Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, every issuer company shall submit audit report on a quarterly basis for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital. The said certificate duly certified by a Practicing Company Secretary is submitted to the Stock Exchanges within 30 days of the end of each quarter.

**18. CEO and CFO Certification**

As required under Regulation 17(8) of SEBI (LODR) Regulations, 2015, a Certificate duly signed by the Managing Director and Chief Financial Officer was placed at the meeting of Board of Directors held on 29.05.2024.

**19. Disclosure of Loans And Advances:**

The disclosure in relation to Loans and Advances (in the nature of loan) provided by the company to companies in which its Directors are interested are given in the 'Notes to Financial Statements'.

**VIII. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT WITH**

**REASONS THEREOF:**

The Company has complied with all the requirements of Corporate Governance Report from sub-paras (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015.

**IX. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(i)(b) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

The Company has complied with all the Corporate Governance requirements as specified in Regulation 17 to 27 (except Regulation 24, which is not applicable to the Company) and Regulation 46 (2) (i) (b) of SEBI LODR Regulations, 2015.

**X. CODE OF CONDUCT**

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standard of transparency. Accordingly, the Company has laid down a Code of conduct for all its Board members and Senior Managerial Personnel so that conflict of interest could be avoided. The Code of Conduct suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. The code of conduct is also available on Company's website i.e. www.ownahar.com. The Board members and senior management personnel affirm the compliance of this Code annually. A declaration by the Managing Director/CEO in terms of SEBI (LODR) Regulations, 2015 to the effect that members of the Board and senior management personnel have affirmed compliance with this Code of Conduct is attached with this Report.

**XI. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

In compliance of SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December

30, 2022, the Company has opened a 'Suspense Escrow Demat Account' for crediting the shares where the shareholder fails to submit the demat request to the Depository Participant within a period of 120 days from the date of issuance of letter of confirmation. Shareholders can claim these shares transferred to 'Suspense Escrow Demat Account' on submission of necessary documentation. The detail of no. of shares and no. of shareholders lying in DEMAT suspense account/ unclaimed suspense account given here under:

Particulars	No. of Shareholders	No. of Shares
a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil	Nil
b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	1	66
c. Number of shareholders to whom shares were transferred from suspense account during the year	1	66
d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	3	468
e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes	Yes

**XII. DISCLOSURE OF AGREEMENTS UNDER REGULATION 30A OF SEBI (LODR) REGULATIONS, 2015**

During the year under review, the Company has not entered into any agreement as specified in clause 5A of para A of part A of schedule III of SEBI LODR Regulations, 2015.

**FOR AND ON BEHALF OF THE BOARD**

**JAWAHAR LAL OSWAL  
(CHAIRMAN)  
DIN: 00463866**

**Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024**



**MANAGING DIRECTOR'S DECLARATION**

Pursuant to the requirement of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all Board Members and Senior Management Personnel of the Company (as defined in the above said Regulations) have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel' for the year ended 31<sup>st</sup> March, 2024.

Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024

**DINESH OSWAL**  
**(MANAGING DIRECTOR)**  
**(DIN: 00607290)**

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

*(Pursuant to Clause 10 of Part C of Schedule V of SEBI (LODR) Regulations, 2015)*

To  
The Members  
Nahar Spinning Mills Limited  
Ludhiana

I have examined the relevant records of **M/s NAHAR SPINNING MILLS LIMITED** for the purpose of certifying compliance of requirements in Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31<sup>st</sup> March, 2024.

On the basis of disclosures/declarations received from the Directors and taken on record by the Board of Directors and according to the verifications (including DIN Status of Directors at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company. I hereby certify that none of the ten Directors on the Board of the Company as stated below for the Financial Year ended as on 31st March, 2024, has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Corporate Affairs or any such other statutory authority.

Sl. No	Name of Director	DIN	Date of appointment in Company
1.	Mr. Jawahar Lal Oswal	00463866	30/09/1992
2.	Mr. Dinesh Oswal	00607290	21/05/1985
3.	Mr. Kamal Oswal	00493213	30/09/1991
4.	Mr. Dinesh Gogna	00498670	21/05/1985
5.	Mr. Satish Kumar Sharma	00402712	15/01/2007
6.	Mr. Vijay Asdhir	06671174	26/09/2017
7.	Ms. Manisha Gupta	06910242	26/09/2017
8.	Mr. Roshan Lal Behl	06443747	29/09/2020
9.	Mr. Yash Paul Sachdeva	02012337	24/08/2022
10.	Mr. Anchal Kumar Jain	09546925	24/08/2022

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P.S. Bathla & Associates**  
**Company Secretaries**

Sd/-

**P.S. Bathla**  
**(Proprietor)**

**FCS: 4391/CP No. 2585**  
**Peer Review No. 1306/2021**

Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024  
UDIN: F004391F000949478



**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

*(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members,  
Nahar Spinning Mills Limited,  
Ludhiana

We have examined the report of Corporate Governance presented by the Board of Directors of **NAHAR SPINNING MILLS LIMITED** for the year ended 31<sup>st</sup> March, 2024 as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the same.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we hereby certify that the Company has duly complied with the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024  
UDIN: F004391F000949434

**For P.S. Bathla & Associates  
Company Secretaries  
Sd/-  
P.S. Bathla  
(Proprietor)  
FCS: 4391/CP No. 2585  
Peer Review No. 1306/2021**



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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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**Annexure-VI****ECONOMIC SCENARIO**

The Prevailing Geo political situation, ongoing conflict in Europe, Middle east and Strained relation among several countries have impacted the economies of the World. Global Economies are witnessing a downward trend with high rate of inflation. Global growth is projecting at 3.2% in 2024 and 3.3% in 2025 (Source: World Economic Outlook July, 2024). The Textile industry too, has been affected by the prevailing global scenario and is facing the problem of waning demand. The red sea crisis has further aggravated the problems for the industry as not only the export of textile products has been affected but it has also increased the shipping costs because of re-routing. This in turn has impacted profitability of the industry.

Inspite of the above challenges, India remained one of the fastest growing economy in the world. Seeing the favorable economic indicator prevailing in the economy, International Monetary Fund raised India growth forecast for financial year 25 to 7 Percent from 6.8 percent projected in April,2024 .(World Economic Outlook released on July 16). This seems to be relatively good performance in comparison to other large economies of the world which are facing difficult times.

To put the economy on the faster pace of growth and sustainability development, Government and Policy makers have introduced several path breaking initiatives and policies in the area of Infrastructure, Social Welfare and Health Care sector to support the economic activities. For textile industry too, the Government has provided supportive environment and initiated several favorable policies like Production Linked Incentive (PLI) Scheme, PM Scheme for integrated textile Parks (MITRA) and Amended Technology Up Gradation fund Scheme (ATUFS) so that the industry can enhance its capacities and establish itself as a Global manufacturing Hub for International Buyers. The Government has also signed Free Trade Agreement (FTA) with several countries e.g. Australia, UAE and is in the process of negotiating with United Kingdom (UK) and European Union. These Initiatives will help the industry to boost exports to these countries and will help the Indian economy to become the world's 'Third largest' economy by 2027.

We are hopeful that the Government through its monetary and other policy initiatives will support the industry so that it could meet the challenges and emerge as a winner.

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

India is World's Sixth largest exporters of textile and apparel products. The market size is growing at a Compound Annual Growth Rate (CAGR) of 14.59% and it

is expected to reach \$387.3 Billion by 2028 from \$172.3 billion in 2022(Source Indian Brand Equity Foundation ). The Textile industry is catering to the basic need of the humans i.e. Clothing (Kapda). The textile industry is present in the entire value chain i.e. cotton, yarn, fiber and apparel. India is one of the largest manufacturer and exporter and has a share of 4.6% of global trade in Textiles.

The Textile Industry continues to play a dominant role in the economic growth of the country. Its importance is evident from the fact that it is the largest contributor towards employment generation, Industrial Output and Export earnings. The industry is the 2<sup>nd</sup> largest employer after agriculture providing direct employment to 45 million people and 100 million in allied sector. The sector has perfect alignment with Government's key initiatives of 'Make in India', Skill India, Women Empowerment and Rural Youth Employment. The Industry is contributing 13% to industrial production in value terms, 2.3% of India's GDP and contributing 12% to the country's total exports earning. (Source: Textile Industry of India Outlook and Challenge by Infomerics Valuation and Rating Pvt. Ltd.)

The Government is fully conscious of the importance of the Textile Industry and the sector is going to be its key focus area in the new policies being framed so as to achieve the target of USD 5 Trillion economy by 2028. The Government through its supportive environment and policies like PLI Scheme, PM (MITRA) scheme and ATUFS scheme has extended a helping hand to the textile industry so that it can it increase its share in the global markets. With the fall in the raw cotton prices Textile industry has started showing positive signs of recovery. Your Management expect that things will start improving in the coming periods and with the support of Government's favorable Policies and initiatives, the industry will be able to meet the challenges and record reasonable growth in the coming periods.

In line with the global trends and to remain competitive, your company has enhanced its capacity by adding 31200 spindles at a capital outlay of Rs. 122 Crores. Thus company's total spindlage capacity stand increased to 5,73,408 spindles. The company has also modernize and upgraded its capacity at a capital outlay of Rs. 122 Crores, so that so that it remains globally competitive in terms of cost and quality.

**OPPORTUNITIES AND THREATS**

After two years of difficult times due to fall in Global and domestic demand, textile industry has started showing positive sign of recovery across all the categories. Indian economy is likely to grow at 7 percent in Financial Year 2024-25 and this will provide a great opportunity to the textile industry to grow faster and increase its share in the



Global Markets. Presently India's share in the Global Textile export is just 4.6% which is minuscule as compared to China's Share. In the changed Global scenario china is losing Share in the Global Trade due to Geo political equation with some countries such as US and European Union. Several Countries especially multinational corporation are cutting their exposure to china and exploring new Asian regions' to diversify their production and supply chain activities. This has opened a new opportunity to the Indian textile Industry to grab the global space vacated by China. The Textile Industry must effectively utilize its fundamental strength of strong production base, availability of good quality raw cotton, skilled man power etc. and become a Textile hub for the International Buyers. This is a huge opportunity and it must be availed by the Textile Industry.

Besides, in the changed global scenario, several countries have started following 'China plus One' Policy for their requirement of Textile Products. This is a Golden opportunity to the textile industry. India should capitalize on this opportunity and present itself as a credible alternative. India certainly has an edge to be an alternative manufacturing hub for global players as two major things required to run textile Industry are cotton and skilled work force and they are abundantly available in the country. The Govt is also providing supportive environment to further enhance and modernize capabilities and establish India as a global Market Hub for International Buyers.

Further, India has already signed Free Trade Agreement (FTA) with Australia & U.A.E & the negotiation with the UNITED KINGDOM (UK) and Europe are in advance stage. Once the FTA is signed it will open up a new opportunity for the Indian textile industry as it will provide more level playing field to the industry and will help in exporting the textile products freely.

Though opportunities are more for the Textile Industry but industry is not free from normal business risks and threats. The slowdown in the Global Trade because of the Geo political tension, higher prices of raw cotton affected exports of textile products. Moreover Red sea disturbances have also posed a serious threat to the shipment of textile products. In case the situation continues then it may affect to the performance of the industry in the coming period.

Besides, exports continues to face stiff challenges from the small countries like Bangladesh, Vietnam, Sri Lanka and Taiwan etc., who have got the preferred treatment from the countries of European Union and U.S. The above mentioned factors have had and will continue to have a significant bearing on the financial performance of the Industry in the coming periods. So far drop in the China Share's in Global Textile Trade has been beneficial to Vietnam and Bangladesh mainly; While India's share has remained the same. Textile Industry must work on

Quality as well as cost to garner more Export order from the International buyers.

#### **FUTURE OUTLOOK**

There are obvious challenges but also great opportunities to the textile industry to establish itself as a global manufacturing hub for the Global buyers. The rebound in the textile export on the back of the lower cotton prices and decline in the inventory level of the international buyers has started improving the fortune of the Textile Industry. Further the Free Trade Agreement (FTA) with the U.K. and Europe will play an important role in improving the performance of the textile industry. Your management is looking at the future with optimism and expects that with the improvement in the global demand and softening of raw cotton prices in the coming periods, will give relief to the Textile Industry. We expect that in this challenging period, Government will support the Spinning industry in the form of favorable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the Industry.

#### **RISK AND CONCERNS**

No industry is free from normal business risk and concerns. Indian Textile Industry continues to face stiff competition from small countries like: Bangladesh, Taiwan, Vietnam and other emerging economies. The relative competitiveness of Industry is dependent upon the raw cotton prices, exchange rates and prevalent interest rates regime. The primary raw material for the manufacturing of yarn is cotton which is an agriculture produce. Its supply and quality are subject to forces of nature i.e. Monsoon. Any significant increase in the prices of raw cotton will make things difficult for the Textile Industry resulting weak demand and thin margins. So availability of raw cotton at the reasonable prices is crucial for the spinning industry. Any significant change in the raw cotton prices can affect the performance of the Industry. Presently, because of higher Minimum Prices, Indian cotton prices are bound to be more than the prevailing international prices which in turn will make Indian products less competitive in the Global Markets.

The high rate of interest and electricity cost are affecting the financial performance of the Textile Industry. The Spinning industry being more capital intensive requires huge funds, long term as well as short term in the form of working capital for its running. The Government must support the industry by providing cheap finance so that the industry remains financially viable. Likewise the government should provide the cheap electricity to the industry so that it can compete in the global markets.

The prevailing geo political situations coupled with red sea tensions has caused supply chain disturbance and has affected global trade. The prevailing high prices of oil and energy, have caused slow down of the Global economies. The future is still uncertain and no one knows



where it will lead to us? Thus, your Company consider it a possible risk and concern to the Industry.

In addition to the above, the other concerns like import duty on raw cotton, higher transaction costs, high cost of labour, continuously increasing prices of raw material are posing risks to the growth of Indian Textile Industry. The Government should extend a helping hand to the existing Textile Units so that they can become globally competitive and contribute towards the growth of the country.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company is maintaining an efficient and effective system of Internal Financial Control for facilitation of speedy and accurate compilations of financial statements. The Company's Internal Financial Control System is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliances with procedures, laws and regulations. The Company's Internal Control System commensurate with the nature of its business and size of its operations. In order to further strength the Internal Control System and to automate the various processes of the business, Company is making use of SAP S4 HANA application, which is based on SAP HANA database. It keeps all the data in memory which results in data processing that is magnitude faster than that of disk based system, allowing for advanced, real time analytics.

We wish to inform you that the period of the office of Raj Gupta & Co., Chartered Accountants, who were appointed as Internal Auditors of the Company for the FY 2023-24 has expired but they express their willingness to be appointed as Internal Auditors of the company for the FY 2024-25. Accordingly, pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, M/S Raj Gupta & Co., Chartered Accountants, having their office at Ludhiana, Membership No. 017039 and having Firm Registration No. 000203N, have been appointed as Internal Auditors of the Company for the FY 2024-25.

The company is also having internal audit department to test the adequacy and effectiveness of Internal Control Systems laid down by the Management and suggests improvement in the systems. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board. During the year under review, company's Internal Controls were tested and no reportable weakness in the system was observed.

Apart from the above, an Audit Committee consisting of three Non Executive Directors has been constituted. All the significant audit observations and follow up Actions thereon are taken care by the Audit Committee. The Audit Committee also oversees and reviews the adequacy and

effectiveness of Internal Controls in the company. The Audit Committee met four times during the financial year under review. The company has also established a Vigil Mechanism as per Section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

### **SEGMENT WISE OR PRODUCT WISE FINANCIAL OPERATION AND PERFORMANCE**

The Company is operating in single segment only i.e. Textile. We would like to inform you that the Indian Textiles Industry is passing through a very difficult and challenging period. Despite the pickup in Global Demand, the prices of finished goods has not risen in proportion to the increase in the raw cotton prices, which in turn impacted company's performance. The company achieved a total income from operations of Rs. 3065.56 Crores showing an increase of 8.00% over the previous year. Likewise, the export at Rs. 1625.16 Crores has also shown an impressive increase of 43.16% when compared with the previous year. However, the profitability of the Company was severely impacted and the company could earn EBITDA of Rs. 99.11 Crores as against of Rs. 257.12 Crores in the previous year. After providing depreciation of Rs. 88.48 Crores and finance cost of Rs. 66.15 Crores, it suffered a loss of Rs. 55.52 Crores. After adjustment of tax (including deferred tax charge) of Rs. 10.30 Crores and CSR expenses of Rs. 5.86 Crores, the net loss comes to Rs. 51.08 Crores. The Company's Reserves (other equity) stands at Rs. 1463.12 Crores as on 31st March, 2024.

The detailed performance has already been discussed in the Director's Report under the column 'Operational Review and State of Affairs'.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS**

Beyond Balance Sheet lies Company's singly biggest Asset Human Resources. The Company is of firm belief that the Human Resources are the driving force that propels a Company towards progress and success. The Company continued its policy of attracting and recruiting the best available talent so that it can face business challenges ahead. The Company also offers attractive compensation packages to retain and motivate the professionals so that they can give their best.

The total permanent employee's strength of the Company was 10444 as on 31st March, 2024. The industrial relation continued to remain cordial during the year.

### **SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

The SEBI LODR (Listing Obligation and disclosure requirements) (Amendment) Regulations, 2018 has mandated that Company should provide detail of Significant Changes in Key Sector Financial ratios. We would like to inform you that in the following key financial



ratios there have been Significant Change as compared to the last year:

Particulars	Financial Year 2023-24	Financial Year 2022-23
INTEREST COVERAGE RATIO	0.90	3.12
DEBT EQUITY RATIO	0.78	0.47
NET PROFIT MARGIN RATIO	-1.67	3.96
RETURN ON CAPITAL EMPLOYED	0.002	0.08
RETURN ON EQUITY RATIO	0.03	0.07
TRADE PAYABLE TURNOVER RATIO	43.50	34.34

The change in interest coverage ratio is due to negative profitability. The change in debt equity ratio due to lower availment of working capital limits. The fall in Net Profit Ratio, Return on capital employed is due to negative profitability. Geo-political situation coupled with high cotton prices and weak global demand resulting fall in Net Profit of the company. The fall in return on equity ratio is

due to decrease in income from investments. The increase in trade payable turnover ratio due to higher purchases coupled with increase in average creditors.

Your management is quite optimistic that with the recovery in the Global Trade company will be able to perform better in the coming periods.

**CAUTIONARY STATEMENT**

Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report.

**FOR AND ON THE BEHALF OF THE BOARD**

**JAWAHAR LAL OSWAL  
(CHAIRMAN)**

**Place: Ludhiana  
Dated: 12<sup>th</sup> August, 2024**

**(DIN: 00463866)**

***Glimpse of CSR Project under 'Rural Development Project'  
undertaken by Oswal Foundation in the year 2023-24.***



Total Area - 63980 Sft.

**Outer View**

**Inner View**



Total Area - 8350 Sft.



## INDEPENDENT AUDITOR'S REPORT

**TO  
THE MEMBERS OF  
NAHAR SPINNING MILLS LIMITED  
Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of Nahar Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate

opinion on these matters. There is no key matters to be communicated in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report, but does not include the standalone financial statements and our auditors' report thereon. The Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance, if there is no material misstatement, we will not issue separate report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and



completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) In the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in

- its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a) The Management has represented that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (intermediaries, with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The Management has represented, that, no funds have been received by the Company from any person or entity, including foreign entity (Unding Parties, with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 34 the standalone financial statements
  - (a) The final dividend proposed in the previous year, declared and paid by the





- Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software or maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor' Report) Order, 2020 (the order issued by the Central Government in terms of Section 143(11) of the Act, we give in annexure B statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Gupta Vigg & Co.**  
Chartered Accountants  
Firm Regn.No.001393N

**CA Vinod Khanna**  
Partner

Dated: 29.05.2024  
Place: Ludhiana

M.No.81585  
UDIN: 24081585BKARMU6342

#### **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NAHAR SPINNING MILLS LIMITED of even date)**

##### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **NAHAR SPINNING MILLS LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

##### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial

information, as required under the Companies Act, 2013.

##### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and



operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls Over**

#### **Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Gupta Vigg & Co.**  
Chartered Accountants  
Firm Regn.No.001393N

**CA Vinod Khanna)**  
Partner

Dated: 29.05.2024  
Place: Ludhiana

M.No.81585  
UDIN: 24081585BKARMU6342

### **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NAHAR SPINNING MILLS LIMITED of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper

records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the



- information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us and based on the examination of records of the company, conveyance deed etc., we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for such class of inventory were noticed.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks on the basis of security of current assets. The stock statements has been filed with banks by the company during the year are in agreement with books of accounts of the company.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year. Hence reporting under clause 3(iii)(a) of the order is not applicable for the company
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year, prima facie, not prejudicial to the Company's interest.
- (c) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not granted loans as per stipulation for repayment of principal and interest of loan. Hence reporting under clause 3(iii)(c) is not applicable for the company.
- (d) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not granted loans to any parties during the year. Hence reporting under clause 3(iii)(d) is not applicable for the company.
- (e) According to the information and explanations given to us and based on the audit procedures conducted by us, no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loan or any advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) of the order is not applicable for the company



- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the sub section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that prima facie, the prescribed records have been maintained. We have, however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- c. Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2024 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Rs. (in Lacs)
The Income Tax Act, 1961	Income Tax	CIT (A)-NFAC	A.Y. 2015-2016	58.28
The Income Tax Act, 1961	Income Tax	CIT (A)-NFAC	A.Y. 2016-2017	56.18
The Income Tax Act, 1961	Income Tax	CIT (A)-NFAC	A.Y. 2016-2017	953.76
The Income Tax Act, 1961	Income Tax	CIT (A)-NFAC	A.Y. 2017-2018	27.44
Central Excise Act, 1944	Excise Duty	High Court of Jabalpur	F.Y 2000-2003	17.47
The Customs Act, 1962	Drawback	High Court of Jabalpur	F.Y 2006-2007	0.93

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings from any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and based on examination of records of the company, the Company has applied the term loans for the purpose for which loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company has not any subsidiary, joint ventures or associate company, hence reporting under clause (ix)(e) and (f) is not applicable to the company
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not



- applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to information and explanation given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. The same is also not required to file
- (c) The management has represented us that no whistle-blower complaints has been received by the Company during the year (and upto the date of this report).
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) According to information and explanations given to us, there is one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as



and when they fall due.

- xx. Company has no unspent amount under CSR at the end of the financial year, hence reporting under clause 3(xx) (a) and (b) is not applicable to the company

**For Gupta Vigg & Co.**  
Chartered Accountants  
Firm Regn.No.001393N

**CA Vinod Khanna)**  
Partner

Dated: 29.05.2024  
Place: Ludhiana

M.No.81585  
UDIN: 24081585BKARMU6342

**BALANCE SHEET AS AT 31ST MARCH, 2024****(Rs In Lacs)**

PARTICULARS	NOTE NO	As at 31st March 2024	As at 31st March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	1.1	<b>91,089.97</b>	83,040.33
b) Capital work-in-progress	2	<b>267.06</b>	10,107.46
c) Other intangible assets	1.2	<b>31.64</b>	51.51
d) Investment properties	1.3	<b>653.01</b>	686.44
e) Financial assets			
i) Investments	3.1	<b>13,411.27</b>	14,797.10
ii) Other financial assets	3.2	<b>3,535.10</b>	3,466.10
f) Other non-current assets	4	<b>4,999.07</b>	6,914.95
		<b>113,987.12</b>	119,063.89
<b>Current assets</b>			
a) Inventories	5	<b>111,975.73</b>	79,272.00
b) Financial assets			
i) Investments	6.1	-	1,506.54
ii) Trade receivables	6.2	<b>42,837.84</b>	31,492.58
iii) Cash and Cash equivalents	6.3	<b>90.17</b>	5,213.68
iv) Bank balances other than (iii) above	6.4	<b>63.86</b>	73.39
v) Other financial assets	6.5	<b>112.15</b>	146.48
c) Current tax assets (net)	7	<b>1,214.49</b>	463.31
d) Other current assets	8	<b>18,627.45</b>	14,192.09
		<b>174,921.69</b>	132,360.07
<b>TOTAL ASSETS</b>		<b>288,908.81</b>	251,423.96
<b>EQUITY AND LIABILITIES</b>			
a) Equity Share capital	9	<b>1,805.31</b>	1,805.31
b) Other equity	10	<b>146,312.18</b>	153,584.06
<b>LIABILITIES</b>		<b>148,117.49</b>	155,389.37
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	11.1	<b>21,806.40</b>	21,805.99
ii) Other financial liabilities	11.2	-	42.26
b) Deferred tax liabilities (Net)	12	<b>1,965.83</b>	3,218.73
c) Other non-current liabilities	13	<b>584.20</b>	756.45
		<b>24,356.43</b>	25,823.43
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	14.1	<b>93,295.07</b>	51,182.84
ii) Trade and other payables	14.2		
---total Outstanding dues of micro enterprises and small enterprises		<b>103.20</b>	872.22
---total Outstanding dues of creditors other than micro enterprises and small enterprises		<b>2,612.05</b>	8,986.51
iii) Other financial liabilities	14.3	<b>257.58</b>	194.67
b) Other current liabilities	15	<b>19,621.25</b>	8,562.30
c) Provisions	16	<b>545.74</b>	412.62
		<b>116,434.89</b>	70,211.16
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>288,908.81</b>	251,423.96
Notes forming part of the Financial Statements	1-41		

As per our report of even date annexed  
For GUPTA VIGG & COMPANY  
Chartered Accountants,  
FRN 001393N

**For & On behalf of the Board**

**VINOD KHANNA**  
Partner  
(M. No. 081585)

**BRIJ SHARMA**  
Company Secretary  
Mem. No. FCS 2458

**ANIL GARG**  
Chief Finance Officer

**S.K SHARMA**  
Director  
(DIN. 00402712)

**DINESH OSWAL**  
Managing Director  
(DIN. 00607290)

**Place: Ludhiana**  
**Date : 29/05/2024**  
**UDIN: 24081585BKARMU6342**



<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH ,2024</b>			<b>(Rs in Lacs)</b>
<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>INCOME</b>			
I. Revenue from operations	17	<b>305,001.52</b>	279,691.27
II. Other Income	18	<b>1,555.32</b>	4,431.37
<b>Total income(I+II)</b>		<b>306,556.84</b>	284,122.64
<b>EXPENSES</b>			
III. Cost of materials consumed	19	<b>214,032.50</b>	182,511.91
IV Purchases of stock-in-trade	20	<b>508.32</b>	553.33
V Change in inventories of finished goods, work -in-progress and stock in trade	21	<b>(3,607.15)</b>	3,526.28
VI. Employee Benefit expense	22	<b>29,152.22</b>	25,525.91
VII Finance cost	23	<b>6,615.17</b>	2,988.11
VIII Depreciation and amortisation expense	1	<b>8,847.91</b>	7,256.19
IX Other expenses	24	<b>56,559.79</b>	46,292.66
<b>Total Expenses (III TO IX)</b>		<b>312,108.76</b>	268,654.39
X. Profit/(loss) before exceptional items and tax		<b>(5,551.92)</b>	15,468.25
XI. Exceptional items			
CSR expenses u/s 135 of Companies Act,2013		<b>586.50</b>	434.00
XII. Profit/(loss) before tax		<b>(6,138.42)</b>	15,034.25
XIII. Tax expense:	25		
(1) Current tax			3,775.00
(2) Deferred tax assets / liabilities		<b>(1,030.00)</b>	180.00
XIV. Profit/(loss) for the period from continuing operations		<b>(5,108.42)</b>	11,079.25
<b>Other comprehensive income</b>		<b>(1,737.92)</b>	(15,573.37)
<b>Items that will not be reclassified to profit or loss</b>			
Changes in fair value of FVOCI equity instruments		<b>(1,954.56)</b>	(17,982.62)
Remeasurement of post-employment benefit obligations		<b>(6.25)</b>	139.22
Income tax relating to these items		<b>222.89</b>	2,270.03
<b>Other comprehensive income for the year, net of tax</b>		<b>(1,737.92)</b>	(15,573.37)
<b>XV. Total comprehensive income for the year</b>		<b>(6,846.34)</b>	(4,494.12)
<b>Earnings per equity share</b>	37		
Basic earnings per share		<b>(13.84)</b>	32.24
Diluted earnings per share		<b>(13.84)</b>	32.24
Notes forming part of the Financial Statements	1-41		

As per our report of even date annexed  
For GUPTA VIGG & COMPANY  
Chartered Accountants,  
FRN 001393N

**VINOD KHANNA**  
Partner  
(M. No. 081585)

**BRIJ SHARMA**  
Company Secretary  
Mem. No. FCS 2458

**ANIL GARG**  
Chief Finance Officer

**S.K SHARMA**  
Director  
(DIN. 00402712)

**DINESH OSWAL**  
Managing Director  
(DIN. 00607290)

**Place: Ludhiana**  
**Date : 29/05/2024**  
**UDIN: 24081585BKARMU6342**



**CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL, 2023 TO 31ST MARCH, 2024****(Rs In Lacs)**

Particulars	Current Year	Previous Year
<b>Cash Flow from Operating Activities</b>		
Net Profit Before Tax and Extra ordinary activities	(6,138.42)	15,034.25
Adjustments for :		
Depreciation	8,847.91	7,256.19
Finance Cost	6,615.17	2,988.11
Interest received	(587.05)	(1,007.28)
Dividend Income	(76.93)	(117.55)
Net Gain on Sale/fair value of Investments	(81.87)	(196.25)
Profit/ Loss on sale of Fixed Assets/ subsidies adjustments	1,527.49	(262.60)
	<u>16,244.72</u>	<u>8,660.62</u>
<b>Operating Profit before Working Capital Changes</b>	<b>10,106.30</b>	<b>23694.87</b>
Adjustment for:		
--Trade Receivables	(11,345.26)	20,806.09
--Inventories	(32,703.73)	25,589.04
--Other financial assets	34.33	(55.61)
--Other financial assets (Long Term)	(69.00)	(273.81)
--Other current assets	(4,435.36)	4,209.76
--Provisions	126.87	156.88
--Other current liabilities	11,058.95	(17,163.85)
--Other non current liabilities	(172.26)	453.85
--Other financial Liabilities	62.91	87.16
--Other financial Liabilities (long Term)	(42.26)	34.83
--Trade Payables	(7,143.48)	7,956.23
	<u>(44,628.29)</u>	<u>41,800.57</u>
<b>Cash Generated from Operations</b>	<b>(34,521.99)</b>	<b>65,495.44</b>
Interest paid	(4,316.27)	(1,702.25)
Direct Taxes Paid/adjusted	(635.74)	(2,908.41)
	<u>(4,952.01)</u>	<u>(4,610.66)</u>
<b>Net cash flow from operating Activities</b>	<b>(39,474.00)</b>	<b>60,884.78</b>
<b>Cash Flow from investing activities</b>		
Purchase of Fixed Assets	(21,372.33)	(19,059.35)
Capital Work in Progress	9,840.40	(8,004.04)
Sale of Fixed Assets	3,000.59	3,496.02
Increase/Decrease in Other non current assets	1,915.88	248.02
Sale of Investments	1,534.92	25,313.95
Interest Received	587.05	1,007.28
Dividend Income	76.93	117.55
Increase in Investment	(515.24)	(28,786.76)
	<u>(4,931.80)</u>	<u>(25,667.33)</u>
<b>Net cash used in investing activities</b>	<b>(44,405.80)</b>	<b>35,217.45</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	7,596.26	12,306.44
Repayment of Long Term Borrowings	(6,776.93)	(3,842.74)
Increase/Decrease in Short Term Borrowings	-	(1,000.00)
Increase/Decrease in Working Capital Limits	41,293.31	(35,762.03)
Interest Paid	(2,298.90)	(1,285.86)
Dividend Paid	(540.98)	(721.31)
	<u>39,272.76</u>	<u>(30,305.50)</u>
<b>Net Cash Used in Financing Activities</b>	<b>(5,133.04)</b>	<b>4,911.95</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>5,287.07</b>	<b>375.12</b>
Opening Cash and Cash Equivalents and other bank balances	154.03	5,287.07
Closing Cash and Cash Equivalents and other bank balances		

As per our report of even date annexed  
For GUPTA VIGG & COMPANY  
Chartered Accountants,  
FRN 001393N

**VINOD KHANNA**  
Partner  
(M. No. 081585)

**BRIJ SHARMA**  
Company Secretary  
Mem. No. FCS 2458

**ANIL GARG**  
Chief Finance Officer

**S.K SHARMA**  
Director  
(DIN. 00402712)

**DINESH OSWAL**  
Managing Director  
(DIN. 00607290)

**Place: Ludhiana**  
**Date : 29/05/2024**  
**UDIN: 24081585BKARMU6342**



**Statement of Changes in Equity for the Year ended 31st March 2024**

Particulars	As at 31st March-2024	As at 31st March-2023
<b>A. Equity Share Capital</b>		
Balance at the begning of the Financial year	1805.31	1805.31
Changes in Equity Share Capital during the year	-	-
Balance at the end of the Financial year	<u>1805.31</u>	<u>1805.31</u>
<b>B Number of shares</b>	<b>36065303</b>	36065303
<b>C Other Equity</b>		

Particulars	Reserve & Surplus				
	Securities Premium Reserve	Capitla Reserve	General Reserve	Retained Earnings	Total Equity
<b>Balance at 01 April 2023</b>	20,959.85	1,363.86	93,057.90	38,202.45	153,584.06
Profit / (Loss) for the year	-	-	-	(5,108.42)	(5,108.42)
Other comprehensive income (Net)	-	-	-	(1,737.92)	(1,737.92)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(6,846.34)</b>	<b>(6,846.34)</b>
Dividend				(540.98)	(540.98)
Adjustment for income tax of earlier years				115.44	115.44
Transfer to General reserve				-	-
<b>Balance as at March 31, 2024</b>	<b>20,959.85</b>	<b>1,363.86</b>	<b>93,057.90</b>	<b>30,930.57</b>	<b>146,312.18</b>

Particulars	Reserve & Surplus				
	Securities Premium Reserve	Capitla Reserve	General Reserve	Retained Earnings	Total Equity
<b>Balance at 01 April 2022</b>	20,959.85	1,363.86	93,057.90	42,869.50	158,251.11
Profit / (Loss) for the year	-	-	-	11,079.25	11,079.25
Other comprehensive income (Net)	-	-	-	(15,573.37)	(15,573.37)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(4,494.12)</b>	<b>(4,494.12)</b>
Dividend	-	-	-	(721.31)	(721.31)
Adjustment for income tax of earlier years	-	-	-	548.38	548.38
Transfer to General reserve	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>20,959.85</b>	<b>1,363.86</b>	<b>93,057.90</b>	<b>38,202.45</b>	<b>153,584.06</b>

**D Shareholding of Promoters**

Sr. No.	Promoters Name	No. of Shares	%of Shares	No. of Shares	%of Shares	% Change during the year
		<b>31.03.2024</b>		<b>31.03.2023</b>		
1	Nahar Capital and financial Services Ltd	16619120	46.08	16406629	45.49	0.59
2	Nahar Poly Films Ltd	6902244	19.14	6902244	19.14	-
3	Shankheshwar Holding Co. Ltd	373041	1.03	373041	1.03	-
4	Dinesh Oswal	123766	0.34	123766	0.34	-
5	Jawahar Lal Oswal	90374	0.25	90374	0.25	-
6	Kamal Oswal	24750	0.07	24750	0.07	-
7	Abhilash Oswal	16000	0.04	16000	0.04	-
8	Ruchika Oswal	11555	0.03	11555	0.03	-
9	Monica Oswal	11520	0.03	11520	0.03	-
10	Sambhav Oswal	1000	0.00	1000	0.00	-
11	Ritu Oswal	1000	0.00	1000	0.00	-



12	Tanvi Oswal	1000	0.00	1000	0.00	-
13	Abhinav Oswal	500	0.00	500	0.00	-
14	Manisha Oswal	500	0.00	500	0.00	-
15	Rishabh Oswal	500	0.00	500	0.00	-
16	Sanjana Oswal	500	0.00	500	0.00	-
	<b>Total</b>	<b>24177370</b>	<b>67.04</b>	<b>23964879</b>	<b>66.45</b>	

As per our report of even date annexed  
For GUPTA VIGG & COMPANY  
Chartered Accountants,  
FRN 001393N

**VINOD KHANNA**  
Partner  
(M. No. 081585)

**BRIJ SHARMA**  
Company Secretary  
Mem. No. FCS 2458

**ANIL GARG**  
Chief Finance Officer

**S.K SHARMA**  
Director  
(DIN. 00402712)

**DINESH OSWAL**  
Managing Director  
(DIN. 00607290)

**Place: Ludhiana**  
**Date : 29/05/2024**  
**UDIN: 24081585BKARMU6342**



(Rs In Lacs)

NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	NET BLOCK
	As at 01st April.2023	Additions	Disposals/ Adjustments	As at 31st March 2024	As at 01st April.2023	Additions	Disposals/ Adjustments	As at 31st March 2024	31 March 2024	31 March 2023
<b>1.1 Property, Plant and equipment:</b>										
Freehold Land	15292.03	872.83	4483.99	11,680.87	-	-	-	-	11,680.87	15,292.03
Building	39413.88	3553.08	-	42,966.96	9786.70	1507.77	-	11,294.47	31,672.49	29,627.18
Plant & Machinery	91520.64	15693.91	43.16	107,171.39	55266.04	6688.05	1.67	61,952.42	45,218.97	36,254.60
Vehicles	1591.13	921.44	21.86	2,490.71	766.25	339.45	19.26	1,086.44	1,404.27	824.88
Office Equipment	1578.07	301.40	-	1,879.47	856.18	178.08	-	1,034.26	845.21	721.89
Furniture & Fixtures	707.75	29.67	-	737.42	388.00	81.26	-	469.26	268.16	319.75
<b>Total (A)</b>	<b>150,103.50</b>	<b>21,372.33</b>	<b>4,549.01</b>	<b>166,926.82</b>	<b>67,063.17</b>	<b>8,794.61</b>	<b>20.93</b>	<b>75,836.85</b>	<b>91,089.97</b>	<b>83,040.33</b>
<b>1.2. INTANGIBLE ASSETS</b>										
Software	138.35	-	-	138.35	86.84	19.87	-	106.71	31.64	51.51
	138.35	-	-	138.35	86.84	19.87	-	106.71	31.64	51.51
<b>Total (A+B)</b>	<b>150,241.85</b>	<b>21,372.33</b>	<b>4,549.01</b>	<b>167,065.17</b>	<b>67,150.01</b>	<b>8,814.48</b>	<b>20.93</b>	<b>75,943.56</b>	<b>91,121.61</b>	<b>83,091.84</b>

1.3. Investment Properties:

Buildings and related equipments	1028.43	-	-	1,028.43	341.99	33.43	-	375.42	653.01	686.44
<b>Total (A)</b>	<b>1,028.43</b>	<b>-</b>	<b>-</b>	<b>1,028.43</b>	<b>341.99</b>	<b>33.43</b>	<b>-</b>	<b>375.42</b>	<b>653.01</b>	<b>686.44</b>

Fair Value of Investment Properties

Rental Income Received/Receivables from Investment properties

Direct expenses (including repair & maintenance ) for generating rental income

	31-03-24	31-03-23
Fair Value of Investment Properties	3682.50	3,447.50
Rental Income Received/Receivables from Investment properties	12.84	107.62
Direct expenses (including repair & maintenance ) for generating rental income	-	26.50



(Rs In Lacs)

**NON-CURRENT ASSETS  
PROPERTY, PLANT AND  
EQUIPMENT**

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	NET BLOCK
	As at 01st April.2022	Additions	Disposals/ Adjustments	As at '31st March 2023	As at 01st April.2022	Additions	Disposals/ Adjustments	As at '31st March 2023	31 March 2022
<b>1.1 Property, Plant and equipment:</b>									
Freehold Land	16066.81	779.32	1,554.10	15,292.03	-	-	-	-	16,066.81
Building	34148.39	6870.38	1,604.89	39,413.88	8631.48	1339.25	184.03	9,786.70	29,627.18
Plant & Machinery	80742.09	10964.37	185.82	91,520.64	50048.89	5309.34	92.19	55,266.04	36,254.60
Vehicles	1606.77	127.31	142.95	1,591.13	604.12	290.97	128.84	766.25	824.88
Office Equipment	1447.36	204.97	74.26	1,578.07	771.33	141.85	57.00	856.18	721.89
Furniture & Fixtures	1115.86	35.70	443.81	707.75	592.07	106.27	310.34	388.00	319.75
<b>Total (A)</b>	<b>135,127.28</b>	<b>18,982.05</b>	<b>4,005.83</b>	<b>150,103.50</b>	<b>60,647.89</b>	<b>7,187.68</b>	<b>772.40</b>	<b>67,063.17</b>	<b>83,040.33</b>
<b>1.2. INTANGIBLE ASSETS</b>									
Software	61.05	77.30	-	138.35	53.47	33.37	-	86.84	51.51
<b>Total (B)</b>	<b>61.05</b>	<b>77.30</b>	<b>-</b>	<b>138.35</b>	<b>53.47</b>	<b>33.37</b>	<b>-</b>	<b>86.84</b>	<b>51.51</b>
<b>Total (A+B)</b>	<b>135,188.33</b>	<b>19,059.35</b>	<b>4,005.83</b>	<b>150,241.85</b>	<b>60,701.36</b>	<b>7,221.05</b>	<b>772.40</b>	<b>67,150.01</b>	<b>83,091.84</b>

**1.3. Investment Properties:**

Buildings and related equipments	1028.43	-	-	1,028.43	306.85	35.14	-	341.99	686.44
<b>Total (A)</b>	<b>1,028.43</b>	<b>-</b>	<b>-</b>	<b>1,028.43</b>	<b>306.85</b>	<b>35.14</b>	<b>-</b>	<b>341.99</b>	<b>686.44</b>

**Fair Value of Investment Properties**

Rental Income Received/Receivables from Investment properties	31-03-23	31-03-22
Direct expenses (including repair & maintenance ) for generating rental income	3,447.50	3,447.50
	107.62	173.88
	26.50	37.13



	31-03-24	31-03-23
<b>2 Capital work-in-progress (CWIP)</b>		
Opening Balance	10107.46	2103.42
Addition / Transfer	(9840.40)	8004.04
<b>Closing Balance</b>	<b>267.06</b>	<b>10107.46</b>

**CWIP ageing schedule for 2023-2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
Project in progress	267.06	-	-	-	267.06
Projects temporarily suspended	-	-	-	-	-

**CWIP ageing schedule for 2022-2023**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
Project in progress	10,101.60	5.86	-	-	10,107.46
Projects temporarily suspended	-	-	-	-	-



Note No.	Particulars	As at 31 March 2024		As at 31 March 2023	
<b>Financial Assets</b>					
<b>3.1 : Investments</b>					
<b>a) Investment at fair value through profit or loss</b>					
		<b>No. of Units</b>	<b>Amount</b>	<b>No. of Units</b>	<b>Amount</b>
<b>Investment in Equity instruments</b>					
i)	Punjab & Sind Bank (Equity Shares of Rs.10/- each fully paid up)	4893	2.75	4893	1.25
ii)	Reliance Capital Ltd (Equity Shares of Rs 10/-each fully paid up)	3700	0.46	3700	0.30
iii)	Jaiprakash Associates Ltd ( Equity Shares of Rs 2/- each fully paid up)	57000	10.48	37000	2.57
iv)	Jaiprakash Power Venture Ltd (Equity Shares of Rs 10/- each fully paid up)	81000	12.19	81000	4.50
<b>Investment in Debt Funds</b>					
i)	Debentures of Piramal Enterprises Ltd	20	230.69	20	212.46
ii)	SBI FMP S-61 Direct Growth.	2999850.007	336.52	2999850.007	313.32
iii)	CUBE HIGHWAYS TRUST	200000	203.33	-	-
<b>b) Investment at fair value through other comprehensive income</b>					
<b>Investment in Equity instruments</b>					
i)	Nahar Capital & Financial Services Ltd.( Equity Shares of Rs. 5/- each fully paid up )	607856	1689.84	607856	1505.36
ii)	Nahar Poly Films Ltd. (Equity Shares of Rs 5/- each fully paid up)	4506206	8093.15	4359788	9966.48
iii)	Sankeshwar Holding Company Ltd ( Equity Shares of Rs 10/-each fully paid up) (unquoted)	95750	288.23	95750	269.05
<b>Investment in Government securities</b>					
i)	7.39 % Housing and Urban Development Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	7007	84.08	7007	78.70
ii)	7.39 % Housing and Urban Development Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	15058	188.06	15058	175.43
iii)	7.35 % Indian Railway Finance Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	5878	75.57	5878	67.27
iv)	7.35 % National Bank for Agricultural and Rural Development. (Tax free Bonds of Rs.1000/- each fully paid up)	10020	110.73	10020	111.68
v)	7.35 % National Highways Authority of India. (Tax free Bonds of Rs.1000/- each fully paid up)	7709	85.18	7709	88.73
<b>c) Investment at Amortised Cost</b>					
i)	Fully paid up 5% Non Cumulative Redeemable Preference Shares (OWM) (unquoted)	2000000	2000.00	2000000	2000.00
ii)	Shree Panchvati Co-Operative Housing Society Ltd (Equity Shares of Rs.50/- each fully paid up) (unquoted)	10	0.005	10	0.005
<b>TOTAL</b>			<b>13411.27</b>		<b>14797.10</b>
<b>(a) Aggregate amount of quoted investments and market value thereof;</b>			<b>11123.04</b>		<b>12528.05</b>
<b>(b) Aggregate amount of unquoted investments; and</b>			<b>2288.23</b>		<b>2269.05</b>
<b>(c) Aggregate amount of impairment in value of investments.</b>			<b>-</b>		<b>-</b>



Note No.	Particulars	As at 31 March 2024	As at 31 March 2023	
<b>3.2 : Other Financial assets</b>				
	Security deposits			
	- Unsecured, considered good	<b>3534.65</b>	3465.50	
	Deposits with maturity more than twelve months	<b>0.45</b>	0.60	
	<b>Total</b>	<b>3,535.10</b>	3,466.10	
<b>4 : Other Non Current Assets</b>				
	Capital advances	<b>4999.07</b>	6912.68	
	Prepaid rent	-	2.27	
	<b>Total</b>	<b>4999.07</b>	<b>6914.95</b>	
<b>CURRENT ASSETS</b>				
<b>5 : Inventories</b>				
	Raw Materials	<b>71211.12</b>	42132.00	
	Raw Materials ( Goods in Transit)	<b>5.81</b>	0.60	
	Work in Process	<b>8455.81</b>	6973.26	
	Finished Goods	<b>27401.80</b>	26695.95	
	Finished Goods (Goods in Transit)	-	30.40	
	Stock-in-Trade	<b>90.87</b>	66.80	
	Stores & Spares	<b>2028.67</b>	1986.26	
	Stores & Spares (Goods in Transit)	<b>0.24</b>	-	
	Waste & Rejections	<b>2781.41</b>	1386.73	
	<b>Total</b>	<b>111975.73</b>	<b>79272.00</b>	
<b>Financial Assets</b>				
<b>6.1 : Investments</b>				
<b>a) Investment at fair value through profit or loss</b>	<b>No. of Units</b>	<b>Amount</b>	<b>No.of Units</b>	<b>Amount</b>
<b>Investment in Debt Funds</b>				
i) SBI Overnight Fund Direct Growth		-	3369853.143	1018.36
<b>b) Investment in CP (at amortised cost)</b>				
i) A K Capital Services Ltd 101D CP (unquoted)		-	500000	488.18
<b>Total</b>		-		1,506.54
<b>(a) Aggregate amount of quoted investments and market value thereof;</b>		-		1018.36
<b>(b) Aggregate amount of unquoted investments; and</b>		-		488.18
<b>(c) Aggregate amount of impairment in value of investments.</b>		-		-
<b>6.2 : Trade Receivables</b>				
	Unsecured Considered good unless otherwise stated	<b>42837.84</b>		31492.58
	Doubtful	-		-
	Less: Provision on doubtful debts	-		-
	<b>Total</b>	<b>42837.84</b>		31492.58



**Trade Receivables ageing Schedule as on 31st March 2024**

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	Not Due	LESS THAN 6 MONTHS	6 MONTHS - 1 YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(I) UNDISPUTED TRADE RECEIVABLE- CONSIDERED GOODS	42514.45	322.22	1.12	0.05	0.00	-	42837.84
(II) UNDISPUTED TRADE RECEIVABLE- WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK							-
(III) UNDISPUTED TRADE RECEIVABLE- CREDIT IMPAIRED							-
(IV) DISPUTED TRADE RECEIVABLE- CONSIDERED GOODS							-
(V) DISPUTED TRADE RECEIVABLE							-

**Trade Receivables ageing Schedule as on 31st March 2023**

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT						
	Not Due	LESS THAN 6 MONTHS	6 MONTHS - 1 YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
(I) UNDISPUTED TRADE RECEIVABLE- CONSIDERED GOODS	29716.02	653.01	1122.68	0.41	0.26	0.20	31492.58
(II) UNDISPUTED TRADE RECEIVABLE- WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK							-
(III) UNDISPUTED TRADE RECEIVABLE- CREDIT IMPAIRED							-
(IV) DISPUTED TRADE RECEIVABLE- CONSIDERED GOODS							-
(V) DISPUTED TRADE RECEIVABLE							-

**6.3 : Cash and Cash Equivalents -**

Balance with banks	59.04	159.56
Cash in hand	31.13	29.88
Cheque in hand	-	5.00
Deposits with maturity less than three months	-	5019.24
<b>Total</b>	<b>90.17</b>	<b>5213.68</b>

**6.4 : Other bank balances**

Unpaid Dividend account	63.86	73.39
<b>Total</b>	<b>63.86</b>	<b>73.39</b>

**6.5 : Other financial assets**

Advances to employees	112.15	86.87
Interest accrued on FD	-	59.61
<b>Total</b>	<b>112.15</b>	<b>146.48</b>

**7 : Current tax assets (Net)**

Advance income tax/TDS/TCS	536.82	4128.82
Income Tax Refund Receivable	677.67	109.49
Less: Provision for income tax	-	(3,775.00)
<b>Total</b>	<b>1,214.49</b>	<b>463.31</b>



Note No.	Particulars	As at 31 March 2024	As at 31 March 2023		
<b>8 : Other Current Assets</b>					
	Prepaid expenses	1090.02	1022.93		
	Prepaid rent	2.27	2.27		
	Advance to suppliers & other (Recoverable in Cash or kind)	1435.14	1980.65		
	Balances with Government authorities	13863.42	10368.77		
	GST Deposited Under Protest (Ref Note 30(viii))	500.00	500.00		
	Others	1736.60	317.47		
	<b>Total</b>	<b>18627.45</b>	<b>14192.09</b>		
<b>EQUITY AND LIABILITIES</b>					
<b>9 : Equity Share Capital</b>					
<b>A) Authorised</b>					
	60,000,000 (Previous year 60,000,000) equity shares of Rs. 5 each	3000.00	3000.00		
<b>B) Issued, subscribed and fully paid up</b>					
	36,065,303 (Previous year 36,065,303) equity shares of Rs. 5 each fully paid up	1803.27	1803.27		
	Add : Share forfeited	2.04	2.04		
	<b>Total</b>	<b>1805.31</b>	<b>1805.31</b>		
<b>a) Terms/rights attached to equity shares</b>					
The company has only one class of shares having par value at Rs. 5/- per share. Each holder of equity shares is entitled to one vote per share.					
<b>b) Reconciliation of number of shares</b>					
	Number of shares at the beginning of the Financial year	36,065,303	36,065,303		
	Add: Shares Issued During the year	-	-		
	Less: Share buy back during the year	-	-		
	Number of shares at the end of the Financial year	<b>36,065,303</b>	<b>36,065,303</b>		
<b>c) Detail of shareholders holding more than 5% shares</b>					
		<b>No. of shares</b>	<b>%age</b>	<b>No. of shares</b>	<b>%age</b>
	1. Nahar Capital and Financial services Limited	16619120	46.08	16,406,629	45.49
	2. Nahar Poly Films Limited	6902244	19.14	6,902,244	19.14
<b>d) Forfeited Shares (amount originally paid up)</b>					
	<b>Amount Paid Up</b>	<b>No. of shares</b>	<b>No. of shares</b>		
	Rs.2.50 per Share	80,298	80,298		
	Rs.5.00 per Share	710	710		
<b>10 : Other Equity</b>					
<b>A) Security premium reserves</b>					
	Balance as per Last Balance Sheet	20959.85	20959.85		
	Add: Additions during the year	-	-		
	<b>Balance as at the year end</b>	<b>20959.85</b>	<b>20959.85</b>		
<b>B)Capital reserves</b>					
	Balance as per Last Balance Sheet	1363.86	1363.86		
	Add: Additions during the year	-	-		
	<b>Balance as at the year end</b>	<b>1363.86</b>	<b>1363.86</b>		
<b>C)General reserves</b>					
	Balance as per Last Balance Sheet	93057.90	93057.90		
	Add: Transfer From Surplus/Retained Earning	-	-		
	<b>Balance as at the year end</b>	<b>93057.90</b>	<b>93057.90</b>		



Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
<b>D) Retained Earning/Surplus</b>			
	Balance as per Last Balance Sheet	<b>38202.45</b>	42869.50
	Profit/(Loss) Transfer from Profit & Loss A/c	<b>(5,108.42)</b>	11,079.25
	Other Comprehensive Income for the Year (Net)	<b>(1,737.92)</b>	(15,573.37)
	Add/Less: Adjustment of Income Tax earlier Years	<b>115.44</b>	548.38
	Less: Dividend	<b>540.98</b>	721.31
	<b>Balance as at the year end</b>	<b>30930.57</b>	38202.45
	Total	<b>146312.18</b>	153584.06
<b>NON CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
<b>11.1 : Borrowings</b>			
<b>Term loans from banks - Secured</b>			
	1. From Punjab National Bank (E-OBC)	<b>1765.02</b>	2663.91
	2. From ICICI Bank	-	3262.44
	3. From State Bank of India	<b>20041.38</b>	15879.64
	<b>Total</b>	<b>21806.40</b>	21805.99

**1. From Punjab National Bank (E-OBC)**

-Term Loan of Rs 6600 Lacs is secured by Plant & Machinery purchased out of the sanctioned term loan.

Second charge on entire block of assets of the company inclusive of all units pertaining to the erstwhile NEL (Nahar Export Ltd) to be shared on pari-passu basis with the Consortium member Banks.(Except the assets financed by SBI at Lalru/Lehli and assets financed by ICICI bank.)

The Term Loan is personally guaranteed by three Directors of the Company.

- Term Loan is repayable in quarterly installments by 31/03/2027.

Rate of Interest 31.03.2024, 8.50% p.a and 31.03.2023, 7.25 % p.a

**2. ICICI BANK**

Term Loan of Rs. 11300 Lacs is Secured by first Pari -Passu Charge on movable fixed assets of the Company both present and future.

- First pari-passu charge (mortgage) over immovable fixed assets i.e Land & Building ,which includes 40.20 acres of land at Village Simrai, Mandideep, Raisen , Madhya Pradesh and 12.62 acres of land located at Village Itayakalan, Mandideep, Madhya Pradesh.

- Second pari-passu charge over all the current assets of the company both present and future

The Term Loan is personally guaranteed by three Directors of the Company.

-Term Loan is repayable in quarterly installments by 31/03/2025.

Rate of Interest 31.03.2024, 9.75% p.a and 31.03.2023, 9.30 % p.a



Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
<b>3. STATE BANK OF INDIA</b>			
	Term Loan of Rs. 27500 Lacs is Secured by first Pari-Passu Charge with other term lenders by way of Hypothecation of entire fixed assets of the Company including equitable mortgage of : (i) 1st pari passu basis to term lenders which includes 40.20 acres of land at Village Simrai, Mandideep, Raisen , Madhya Pradesh and 12.62 acres of land located at Village Itayakalan, Mandideep, Madhya Pradesh.		
	(ii) Negative lien on all other immovable assets of the company both present and future.		
	-Second Pari-Passu Charge with other term lenders by way of Hypothecation of entire current assets including stock of raw material, stock in process, finished goods, store & spares /consumable and receivables/book debts , other current assets , both present and future.		
	The Term Loan is personally guaranteed by three Directors of the Company.		
		-Term Loan is repayable in quarterly installments by 30/09/2031.	
		Rate of Interest 31.03.2024, 8.75% p.a and 31.03.2023, 8.20% p.a	
<b>11.2 : Other financial liability</b>			
	Retention money	-	42.26
<b>Total</b>		-	42.26
<b>12 : Deferred tax Liabilities (Net)</b>			
	Timing Difference on account of Depreciation, IND AS adjustment etc.	3417.83	3383.73
	Difference on account of Allowances under section 43B, Losses & Others etc.	(1,452.00)	(165.00)
<b>Total</b>		<b>1965.83</b>	<b>3218.73</b>
<b>13 : Other non current liabilities</b>			
	Deferred income	584.20	756.45
<b>Total</b>		<b>584.20</b>	<b>756.45</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
<b>14.1 : Borrowings</b>			
	Loans from banks- Secured	86590.69	45297.38
	Secured by ( I ) Hypothecation of entire current assets of the company both present and future . ( II ) 2nd Charge (on pari-passu basis) over entire plant and machinery, present or future, of all the units of the company and also personally Guaranteed by Chairman, Managing Director and one Director of the Company.		
	Current maturities of long term debts	6704.38	5885.46
<b>Total</b>		<b>93295.07</b>	<b>51182.84</b>



Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
	<b>14.2 : Trade and other payables</b>		
	---total Outstanding dues of micro enterprises and small enterprises	<b>103.20</b>	872.22
	---total Outstanding dues of creditors other than micro enterprises and small enterprises	<b>2612.05</b>	8986.51
	<b>Total</b>	<b>2715.25</b>	<b>9858.73</b>

**Trade Payables ageing schedule as on 31st March 2024**

Particulars	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 Year	
(i) MSME	103.20	-	-	-	-	103.20
(ii) Other	2,514.64	96.54	0.24	0.63	-	2,612.05
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

**Trade Payables ageing schedule as on 31st March 2023**

Particulars	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 Year	
(i) MSME	872.22	-	-	-	-	872.22
(ii) Other	8,730.12	251.46	4.72	0.21	-	8,986.51
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

**14.3 : Other financial liabilities**

Retention money	<b>190.56</b>	119.14
Unpaid dividends	<b>63.86</b>	73.39
Others	<b>3.16</b>	2.14
<b>Total</b>	<b>257.58</b>	<b>194.67</b>

**15 : Other current liabilities**

Advances from customers	<b>655.47</b>	672.43
Dues to director	<b>49.95</b>	377.23
Government dues	<b>636.04</b>	682.29
Deferred income	<b>169.33</b>	169.37
Others	<b>18110.46</b>	6660.98
<b>Total</b>	<b>19621.25</b>	<b>8562.30</b>

**16 : Provisions**

Provision for Gratuity	<b>545.74</b>	412.62
<b>Total</b>	<b>545.74</b>	<b>412.62</b>



Note No.	Particulars	For the year ended 31st March,2024	For the year ended 31st March,2023
<b>17 : Revenue from operations</b>			
	Sales - Export	162516.13	113516.42
	Sales - Domestic	131385.91	158540.94
	Export incentives	9531.29	6073.16
	Sale of services	1065.43	1118.60
	Miscellaneous sales	467.21	377.77
	Miscellaneous receipts	28.96	60.85
	Claims received	6.59	3.53
	<b>Total</b>	<b>305001.52</b>	<b>279691.27</b>
<b>18 Other Income</b>			
	Interest income	587.05	1007.28
	Dividend income	76.93	117.55
	Rental income	158.80	238.90
	Balances written back	61.12	179.53
	Gain on sale of Property, Plant & Equipment	156.54	274.44
	Exchange Rate Difference (Net)	0.18	-
	Net gain on sale / fair value of investments	81.87	196.25
	Net MTM gain on Forward Contracts	-	47.18
	Miscellaneous income (including deferred income)	432.83	2370.24
	<b>Total</b>	<b>1555.32</b>	<b>4431.37</b>
<b>19 Cost of materials consumed</b>			
	Opening stock	42132.00	64140.75
	Add : Purchases (Net)	243111.62	160503.16
	Less: Closing Stock	(71,211.12)	(42,132.00)
	<b>Total</b>	<b>214032.50</b>	<b>182511.91</b>
<b>20 Purchases of stock-in-trade</b>			
	Hosiery Garments/others	508.32	491.28
	Cotton Yarn	-	62.05
	<b>Total</b>	<b>508.32</b>	<b>553.33</b>
<b>21 Change in inventories of finished goods/ Work -in-progress/ stock in trade .</b>			
	Opening stock		
	Work-in-Progress	6973.26	6551.73
	Finished Goods / Stock in Trade etc.	28149.48	32097.29
	Less: Closing Stock		
	Work-in-Progress	(8,455.81)	(6,973.26)
	Finished Goods / Stock in Trade etc.	(30,274.08)	(28,149.48)
	<b>Total</b>	<b>(3,607.15)</b>	<b>3,526.28</b>



Note No.	Particulars	For the year ended 31st March,2024	For the year ended 31st March,2023
<b>Note 22 : Employee benefit expense</b>			
	Salary and wages	26388.46	23018.60
	Contribution to PF, ESI and Gratuity Fund	2467.70	2228.85
	Employees Welfare Expenses	296.06	278.46
	Total	<u>29152.22</u>	<u>25525.91</u>
<b>Note 23 : Finance cost</b>			
	Interest on term loan	2298.90	1285.86
	Interest on cash credit	4182.44	1441.81
	Interest to others	22.83	155.24
	Other borrowing costs	111.00	105.20
	Total	<u>6615.17</u>	<u>2988.11</u>
<b>Note 24 : Other expenses</b>			
	Consumption of stores & spare parts	1245.59	1306.17
	Power and Fuel	30551.86	23355.11
	Dyes & Chemicals	2602.64	2946.53
	Rent	42.70	40.99
	Repair to Buildings	498.62	658.77
	Repair to Machinery	3880.98	3301.89
	Insurance	912.04	865.10
	Rates and taxes	241.26	182.95
	Payment to auditors (ref note 24.1)	22.26	19.94
	Exchange Rate Difference (Net)	-	53.30
	Brokerage/commission on sale	2156.79	1307.64
	Cost of Raw Material Sold	40.62	15.06
	Freight and forwarding	5419.59	5702.53
	Packing Store Consumed	4421.26	3722.33
	Vehicle Maintenance and Conveyance	380.37	363.90
	Bank Charges	403.62	335.98
	Loss on MTM on Forward Contracts	52.55	0.00
	Loss on Sale of Fixed Assets	1684.03	11.84
	Others	2003.01	2102.63
	Total	<u>56559.79</u>	<u>46292.66</u>
<b>24.1 Payment to auditors</b>			
	Audit Fees	16.98	15.52
	Tax Audit Fees	4.10	3.90
	Certification Charges	1.01	0.42
	Out of Pocket Expenses	0.17	0.10
	Total	<u>22.26</u>	<u>19.94</u>
<b>25 Tax expense:</b>			
(1)	Current tax		
	Provision for Taxation	-	3,775.00
(2)	Deferred tax assets / liabilities	<u>(1,030.00)</u>	<u>180.00</u>
	Total	<u>(1,030.00)</u>	<u>3,955.00</u>



Note No.	Particulars	For the year ended 31st March,2024	For the year ended 31st March,2023
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:</b>			
	Accounting profit before tax	<b>(6,138.42)</b>	15,034.25
	All india's statutory income tax rate of 25.168% (31st March 2023: 25.168%)	<b>(1,544.92)</b>	3,783.82
	Tax effect of Other Items as per Income Tax Act.	<b>514.92</b>	171.18
	<b>Income tax expense/ deferred tax reported in the statement of profit and loss</b>	<b><u>(1,030.00)</u></b>	<b><u>3,955.00</u></b>



**26. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:****I. Background**

Nahar Spinning Mills Limited (the "Company") incorporated as a Private Limited company in 1980 and became a Public Limited company in 1983. Nahar Spinning Mills Limited is engaged in the business of manufacture of cotton yarn/blended yarn and hosiery knitwears. The company is a public Limited company domiciled in India and is incorporated under the provisions of Companies Act applicable in India, Its shares are listed in recognized stock exchanges of India. The registered office of the company is located at 373, Industrial Area 'A', Ludhiana.

**II. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of Preparation****(i) Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The Financial statements of the company for the year ended 31 March, 2024 have been approved by the Board of Directors at their meetings held on 29th May, 2024

The financial statements of the company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans- assets measured at fair value.

The Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

**(ii) Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**(iii) Current/Non-current classification :**

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

**(b) Foreign currency translation**

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of profit and loss.

**(c) Revenue recognition**

(i) Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.



Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

**Sale of goods**

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

**Rendering of services**

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

- (ii) Export Incentives- Export incentives are recognised on post export basis.
- (iii) Interest income - Interest income is recognised on accrual basis.
- (iv) Dividend income - Dividends are recognised in profit or loss only when the right to receive payment is established
- (v) Rental Income- Rental income is accounted for on accrual basis.
- (vi) Scrap (i.e empties, miscellaneous scrap etc. ) is accounted for on sale basis
- (vii) Income and other Claims -Revenue in respect of claims is recognised when no Significant uncertainty exists with regard to the amount to be realised and ultimate Collection thereof .

**(d) Government Grant**

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grant relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognised in the statement of profit or loss over the period of useful life of asset.

**(e) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction by the end of the reporting period adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. . Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income, In that case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(g) Cash and Cash Equivalents :**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other bank balances and bank overdrafts.

**(h) Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. However to determine the cost, the following methods are adopted:-

1. a) For Raw Material on moving weighted average method plus direct expenses.
- b) For Stores and Spares on moving weighted average method plus direct expenses
- c) For Work - in - Process, cost of Raw Material plus appropriate share of manufacturing expenses/ relevant Overheads/conversion cost depending upon the stage of completion.
2. For Finished goods, cost of raw material plus conversion costs, packing cost and other overheads incurred to bring the inventories to their present condition and location.
3. Further Wastage and Rejections are valued at net realizable value only.
4. Goods in Transit are valued at cost.

**(i) FINANCIAL ASSETS****(i) Classification**

- The company classifies its financial assets in the following measurement categories -
- Those to be measured subsequently at fair value (either through other comprehensive income or through Statement of profit and loss), and
- Those measured at amortised cost

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at the fair value through other comprehensive income.

**(ii) Measurement**

At initial recognition, the company measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss.

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss.

**(iii) Impairment of financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iv) Derecognition of financial assets**

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.



**(j) Impairment of Non-Financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash generating units). Non-Financial assets suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

**(k) Non-Current assets held for sale:**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt

Non-current assets are not depreciated or amortised while they are classified held for sale. Interest and other expenses attributable to the liabilities of disposal, company classified as held for sale, continue to be recognised.

**(l) Derivatives that are not designated as hedges**

The company enters into certain derivatives/forward contracts to hedge foreign currency risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss

**(m) Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use.

Depreciation methods, estimated useful lives and residual value

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in the Schedule II to the Companies Act, 2013.

a) In Garment Division at Ludhiana, depreciation is charged on W.D.V. basis

b) In all other units, depreciation is charged on Straight Line basis The residual values are not more than 5% of the original cost of the assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other 'non-current assets' and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

**(n) Investment Properties**

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and cost of the item can be measured reliably.

Investment properties are depreciated using the written down value method over the useful life of 60 years.

**(o) Intangible assets Computer software**

Computer software are stated at cost less accumulated amortisation and impairment, if any.



Amortisation methods and periods

The company amortises the computer software with a finite useful life over the period of 6 years.

**(p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid.

**(q) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(r) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(s) Provisions and contingent liabilities**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

**(t) Employee benefits**

**(i) Short term obligations**

Liabilities for wages and salaries, including non-monetary benefits if any, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Other long term employee benefit obligations**

The liabilities if any, which needs to be settled after 12 months from the end of the period in which the employees render the related services are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

**(iii) Post-employment obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**(iv) Defined contribution plans**

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the Statement of Profit and Loss.

**(u) Estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities as at the date of financial statements and reported amount of income and expenses during the period.

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Designation of financial assets /liabilities through FVTPL
- Estimation of defined benefit obligation
- Recognition of deferred tax assets for carried forward tax losses

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on company and that are believed to be reasonable under the circumstances.

**(v) Cash Flow Statement :**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 "Statement of Cash Flows" using indirect method for operating activities.

**(w) Earning per share****(i) Basic earning per share**

Basic earning per share is calculated by dividing :

- The profit attributable to equity share holders and
- By the weighted average number of equity shares outstanding during the financial year.

**(ii) Diluted earning per share**

Diluted earning per share adjusts the figures used in the determination of basic earning per share to take in to account :

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(x) New and amended standards**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2023.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Recent Indian Accounting Standards (Ind AS) issued not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**27. Contingent liabilities not provided for**

- a) Excise/Service Tax/Sales Tax/Income Tax/ Other Government Authorities have raised demands of Rs. 1148.71 Lacs (31 March 2023: Rs.175.56 Lacs) out of which a sum of Rs. 34.65 Lacs (31 March 2023: Rs. 6.00 Lacs) has been deposited against said demand. Further these demands have been contested in



appeal and no provision has been made in the financial statement.

- b) The Company has given Bank Guarantees for Rs. 5 Lacs ( 31 March 2023 : Rs. 5 Lacs) in favour of Punjab Pollution Control Board and Bank Guarantee for Rs.6.69 Lacs (31 March 2023 : Rs. 6.69 Lacs) in favour of Ministry of Textiles.

**28. Capital commitments**

Estimated amount of Contracts remaining to be executed , net of advances -

	<b>31 March 2024</b>	31 March 2023
On Capital Accounts	<b>3,791.55</b>	6,866.75
On Others	<b>1,147.51</b>	173.76

29. There are no Micro & Small enterprises covered under Micro, Small and Medium Scale Development Act,2006, to whom the company owes dues, which are outstanding for more than 45 days. This information has been

	<b>31-Mar-24</b>	31-Mar-23
The principal amount and the interest due thereon (to be shown separately) remaining unpaid (NOT DUE)	<b>103.20</b>	872.22
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

**30. Other notes**

- I. Salaries & wages incurred during the year on repairs and maintenance of Building and Plant & Machinery etc. have been charged to former accounts and not shown separately.
- II. In the opinion of the board, the value of Current Assets, Loans and Advances have a value in the ordinary course of business at least equal to that stated in the balance sheet
- III. Some balances of Trade Payables , Advances and Trade Receivables are subject to their Confirmation.
- IV. Borrowing cost amounting Rs. 571.86 Lacs (31st March 2023 : Rs. 418.41 Lacs) has been capitalized during the year.
- V. Material events occurring after the balance sheet date are taken into cognizance.
- VI. To meet its CSR Obligation under section 135 of Companies Act, 2013 and as per the company's CSR policy approved and adopted by the Board of Directors, company joined hands with Group Companies under one umbrella, to undertake the CSR projects through Oswal Foundation. Oswal Foundation is a Registered Society formed in the year 2006 having its charitable objects in various fields .It has already registered itself with the Ministry of Corporate Affairs with vide Registration no. CSR0000145 for undertaking CSR activities.

The foundation has undertaken "Health Care Project", as approved by the consortium at Mohan Dai Oswal Cancer Hospital and Research Foundation, Ludhiana and as well as Rural Development project at village Barmalipur, District Ludhiana.

During the financial year 2023-24 CSR committee recommended Rs.586.50 lakhs (Previous year Rs.434.00 lakhs), for CSR obligation being two percent of the average net profits of the company for three immediately preceding financial years.



Accordingly, to fulfil its obligation under CSR, Board on the recommendation of CSR Committee decided to contribute an amount of Rs.510.50 lakhs (Previous year Rs.500 Lakhs) net of prepaid amount of Rs. 76 lakhs paid in FY 2022-23 to the Oswal Foundation for undertaking Health care projects and Rural Development project as approved by the consortium of the Group Companies formed to undertake CSR activities through Oswal Foundation.

<b>Particulars</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
The amount required to be spent	586.50	434.00
The amount spent	*586.50	434.00
* Amount contributed in 2023-24	510.50 lakhs	
* Amount contributed in 2022-23 (Prepaid)	76.00 lakhs	

- VII. The Company had entered into a contract with Trident International Holdings FZCO, Dubai to purchase property for official use for a consideration of Thirteen Million Three hundred nineteen thousand eight hundred ninety eight Dirhams. The company has paid Seven Million Nine hundred ninety one thousand nine hundred forty Dirhams. (INR 939.51 Lacs) As per the contract, the above said party was supposed to handover the contracted property at the end of 1st Quarter of 2011. The said party breached the contract, thus company is entitled to recover full payment of the amount paid and reasonable interest and damages etc. and for this purpose the company initiated legal proceedings against the party to recover the amount. The arbitration order was decided in favour of the company and the company had filed execution & recovery petition. Now the company has got the information that the project stands cancelled on dated 07/03/2024 by the special judicial committee for incomplete real estate project. The company is waiting for the confirmation from the committee order as they shall intimate the company for further process and the amount paid by the company has been shown as advances recoverable in Cash or Kind.
- VIII. Advances recoverable amount includes Rs. 500 Lacs on account of GST paid under protest and final treatment of this expense would be considered as and when the matter is finally adjudicated.
- IX. In Financial year 2021-22, the Company participated in e-auction conducted by DRT Chandigarh for purchase of one Textile unit, being highest bidder, the company deposited full amount of Rs. 3797.60 Lacs with respective authorities but purchase was not finalised being matter sub-judice. Now auction being set aside, company has prayed for refund of the money deposited with relevant authorities. Matter is pending for the final decision. The amount has been shown as advance recoverable under Non-Current Assets under the head Capital Advance.
- X. An ocean vessel carrying the containerized export shipments of finished goods of the company amounting to Rs. 1149.43 Lacs had partly tilted/capsized at the seaport's berth on 24th March 2022. The rescue operations of the cargo have been completed. The containers are still lying with the port authorities of Syama Prasad Mookerjee Port, Kolkata pending final settlement between the shipping line and the port authorities. The company has also lodged an insurance claim. The amount has been shown as sundry receivables after netting off of Rs. 290.68 Lacs written off against the losses.
- XI. The company is operating in single segment i.e Textiles. Hence segment reporting as required under IND AS 108 (Operating Segments) is not applicable.
- XII. The figures of the previous period/year have been regrouped/recasted wherever considered necessary to correspond to current period/year disclosures.

### **Major Customer**

Sales of the company is evenly distributed, disclosure of major customer is not being made. There is no single customer having sale more than 10% of the turnover of the company.

### **31. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:



**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 35.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

**32. Financial risk management objective and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: 'interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

**a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to 'the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The



company is carrying its borrowings primarily at variable rates. For floating rates borrowings, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point Increase or decrease is used when reporting interest rate risk internally to Key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	31st March 2024	31st March 2023
Variable rate borrowings	78,953.65	63,447.39
Fixed rate borrowings	36,147.82	9,541.44

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on Profit before tax	
	31st March 2024	31st March 2023
Increase by 50 basis points	(394.77)	(317.24)
Decrease by 50 basis points	394.77	317.24

**b) Foreign currency risks**

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in International currencies as part of the business is transacted in foreign currencies and consequently the company is exposed to foreign exchange risk. The Company's exposure in foreign currency is in loans, trade receivables and advances and trade payables.

**(i) Particulars of unhedged foreign currency exposure as at reporting date****As at 31st March 2024**

Particulars	(Foreign currency in lacs )		
	USD	EURO	Others
Trade Receivables	-	-	-
Trade Payables	-	0.84	0.14
Others	5.10	-	-

**As at 31st March 2023**

Particulars	(Foreign currency in lacs )		
	USD	EURO	Others
Trade Receivables	-	-	-
Trade Payables	26.87	-	0.06
Others	4.70	3.15	-

**Foreign currency sensitivity**

The following table demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	31st March 2024		31st March 2023	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	21.27	(21.27)	129.71	(129.71)
EURO	3.76	(3.76)	14.10	(14.10)
Others	0.67	(0.67)	0.27	(0.27)
<b>Increase/(decrease) in Profit or Loss</b>	<b>25.70</b>	<b>(25.70)</b>	<b>144.08</b>	<b>(144.08)</b>

**ii) Foreign Currency Exposure**

The foreign currency exposure of the Company as on reporting date is as under. The company does not use forward contracts for speculative purpose.



<b>Category wise quantitative data</b>	<b>As at 31st March,2024</b>	<b>As at 31st March,2023</b>
<b>Type of contract</b>	<b>USD</b>	<b>USD</b>
Forward contracts against exports	<b>156.87</b>	198.38
Packing Credit in Foreign Currency	<b>156.11</b>	25.54

**iii) Price risk**

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

**B) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

**Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk on reporting date
- (ii) Moderate credit risk

The Company provides for expected credit loss based on the following:

<b>Asset group</b>	<b>Basis of categorisation</b>	<b>Provision for expected credit loss</b>
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment.

Recoveries made are recognised in statement of profit and loss.

**Cash & cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

**Trade receivables**

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

**Other financial assets measured at amortised cost**

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

**(i) Trade Receivables**

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6.2 Trade receivables are unsecured but considered good subject to provision made thereon.

<b>Trade receivables</b>	<b>31st March 2024</b>	31st March 2023
Not Due	<b>42,514.45</b>	29,716.02
Up to 6 Months past Due	<b>322.22</b>	653.01
6 Months to 1 Year past Due	<b>1.12</b>	1,122.68
1 to 2 Year	<b>0.05</b>	0.41
2 to 3 Year	-	0.26
More than 3 Year	-	0.20
	<b>42,837.84</b>	31,492.58

**Provision for Doubtful Debts**

More than 1 year	-	-
<b>Total</b>	<b>42,837.84</b>	31,492.58

**Reconciliation of Provision for Doubtful Debts**

	<b>31st March 2024</b>	31st March 2023
Balance at the Begning of the Year	-	-
Add: Provision made during the year	-	-
Less: Provision Written Back during the Year	-	-
Balance at the end of the Year	-	-

**(C) Liquidity risk**

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company has access to the following undrawn borrowing facilities at the end of the reporting periods -

<b>Floating rate</b>	<b>31st March 2024</b>	31st March 2023
<b>(a) Expiring within one year (Bank overdraft and other facilities)</b>		
<b>Secured</b>		
-Working Capital Limits	<b>30,678.90</b>	52,133.69
<b>(b) Expiring within one year (Term Loans)</b>		
<b>Secured</b>		
-Term loan from banks	<b>1,282.42</b>	9,873.48

**(ii) Maturity Patterns of borrowings**

<b>Year ended 31st March,2024</b>	<b>Less than 1 Year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>More than 5 years</b>
Contractual Maturities of long term borrowings	<b>6,706.00</b>	<b>8,638.44</b>	<b>6,872.00</b>	7,602.00
Contractual Maturities of trade payables	<b>2,715.25</b>	-	-	-
Contractual Maturities of other financial liabilities	<b>190.56</b>	-	-	-
<b>Total</b>	<b>9,611.81</b>	<b>8,638.44</b>	<b>6,872.00</b>	<b>7,602.00</b>
<b>Year ended 31st March,2023</b>	<b>Less than 1 Year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>More than 5 years</b>
Contractual Maturities of long term borrowings	<b>5,885.46</b>	<b>11,942.00</b>	<b>7,738.44</b>	12,038.00
Contractual Maturities of trade payables	<b>9,858.73</b>	-	-	-
Contractual Maturities of other financial liabilities	<b>119.14</b>	<b>42.26</b>	-	-
<b>Total</b>	<b>15,863.33</b>	<b>11,984.26</b>	<b>7,738.44</b>	<b>12,038.00</b>



**33. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	<b>31st March 2024</b>	31st March 2023
Borrowings	<b>115,101.47</b>	72,988.83
Trade payables	<b>2,715.25</b>	9,858.73
Less: Cash and cash equivalents	<b>90.17</b>	5,213.68
<b>Net debt</b>	<b>117,726.55</b>	<b>77,633.88</b>
Equity	<b>148,117.49</b>	155,389.37
<b>Capital and net debt</b>	<b>265,844.04</b>	<b>233,023.25</b>
Gearing ratio	<b>0.44</b>	0.33

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

**34. Distribution made and proposed**

	<b>31st March 2024</b>	31st March 2023
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31 March 2023: ₹1.50 per share (31 March 2022: ₹2.00 per share)	<b>540.98</b>	721.31
	<b>540.98</b>	721.31
<b>Proposed dividends on Equity shares:</b>		
Final cash dividend for the year ended on 31 March 2024: ₹1.00 per share (31 March 2023: Rs. 1.50 per share)	<b>360.65</b>	540.98
	<b>360.65</b>	540.98

**35. Post-Employment Obligations - Gratuity**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognised funds in India.

	<b>(Rs. in Lacs)</b>	
<b>Changes in defined benefit obligation</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Gratuity Plan	<b>5,247.62</b>	4,702.94

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

<b>Changes in defined benefit obligation</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Present value obligation as at the start of the year	<b>4,702.94</b>	4,349.77
Interest cost	<b>325.99</b>	279.28
service cost	<b>474.41</b>	469.78
Benefits paid	<b>(223.05)</b>	(236.53)
Actuarial loss/(gain) on obligations	<b>(32.67)</b>	(159.36)
<b>Present value obligation as at the end of the year</b>	<b>5,247.62</b>	4,702.94



<b>Change in fair value of plan assets</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Fair value of plan assets as at the start of the year	4,290.32	3,954.80
Return on plan assets	309.61	264.04
Return on plan assets greater/(less) than discount rate	(38.92)	20.14
Contribution	363.93	328.15
Benefits paid	(223.05)	(236.53)
<b>Fair value of plan assets as at the end of the year</b>	<b>4,701.89</b>	<b>4,290.32</b>

**Breakup of Actuarial gain/loss:**

<b>Description</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Actuarial (gain)/loss on arising from change in financial assumption	27.72	(131.19)
Actuarial (gain)/loss on arising from experience adjustment	(60.39)	(28.17)
Return on plan assets (greater)/less than discount rate	38.92	20.14

<b>Reconciliation of present value of defined benefit obligation and the fair value of plan assets</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Present value obligation as at the end of the year	5,247.62	4,702.94
Fair value of plan assets as at the end of the year	4,701.89	4,290.32
<b>Net asset/(obligation) recognized in balance sheet</b>	<b>(545.73)</b>	<b>(412.62)</b>

<b>Amount recognized in the statement of profit and loss</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
service cost	474.41	469.78
Interest cost	16.38	15.24
<b>(Income)/Expense recognised in the statement of profit and loss</b>	<b>490.79</b>	<b>485.02</b>

**Amount recognised in the statement of Other Comprehensive Income**

<b>Description</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Actuarial (Gain)/Loss for the year on DBO	(32.67)	(159.36)
Return on plan assets (greater)/less than discount rate	38.92	20.14
<b>Recognised actuarial (Gain)/Loss at the end of the year</b>	<b>6.25</b>	<b>(139.22)</b>
<b>Actuarial assumptions</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Discount rate	7.00%	7.10%
Future salary increase	5.00%	5.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**Sensitivity analysis for gratuity liability**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Discount rate</b>	<b>7.00%</b>	<b>7.10%</b>
Present value obligation as at the end of the year	5,247.62	4,702.94
a) Impact due to increase of 0.50%	(135.61)	(124.11)
b) Impact due to decrease of 0.50%	143.30	131.19
<b>Salary escalation rate at the end of the year</b>	<b>5.00%</b>	<b>5.00%</b>
Present value of obligation at the end of the year	5,247.62	4,702.94
a) Impact due to increase of 0.50%	142.71	131.57
b) Impact due to decrease of 0.50%	(136.87)	(125.76)



The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Description	(INR In Lacs)	
	31-Mar-24	31-Mar-23
March 31, 2024	-	824.21
March 31, 2025	998.27	639.87
March 31, 2026	633.65	597.96
March 31, 2027	755.47	713.92
March 31, 2028	744.30	725.76
March 31, 2029	748.00	-
March 31, 2024 (March 31, 2030 to March 31, 2034 ) and March 31, 2023 (March 31, 2029 to March 31, 2033)	4,282.17	3,771.47
<b>Total expected payments</b>	<b>8,161.86</b>	<b>7,273.19</b>

Withdrawal Rate	31-Mar-24	31-Mar-23
<b>Attrition rate at the year and</b>	<b>10.00%</b>	10.00%
Effect on DBO due to 5 % increase in Withdrawl Rate	97.33	100.61
Effect on DBO due to 5 % decrease in Withdrawl Rate	(189.13)	(191.28)

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years. (31st March 2023: 6 years)

Post Employment Benefit of KMP's			(in Lakhs)	
Name of KMP	Date of Joining	DBO as at 31.03.2024	DBO as at 31.03.2023	
Sh. Dinesh Oswal	01-01-1987	15.08	14.61	
Sh. Anil Kumar Garg	01-02-1993	19.54	17.87	
Sh. Brij Sharma	11-09-1989	20.00	20.00	

**36. Reconciliation of Changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes as per the requirement of IND AS-7 'Statement of Cash Flows'**

Particulars	Borrowings (Non-current) (including current maturities)	Borrowings (Current)
<b>A. Borrowings from Banks</b>		
<b>Balance at the begning of the period</b>	<b>27691.45</b>	<b>45297.38</b>
Add:/Less Changes during the period		
(a) Changes from financing cash flows	819.33	41293.31
(b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
(c) the effect of changes in foreign exchange rates	-	-
(d) changes in fair values	-	-
(e) other Changes	-	-
<b>Balance at the end of the period</b>	<b>28510.78</b>	<b>86590.69</b>
<b>B. Deposits from body corporates</b>		
<b>Balance at the begning of the period</b>	-	-
Add:/Less Changes during the period	-	-
(a) Changes from financing cash flows	-	-
(b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
(c) the effect of changes in foreign exchange rates	-	-
(d) changes in fair values	-	-
(e) other Changes	-	-
<b>Balance at the end of the period</b>	-	-

**37. Earning Per Share**

Basic/Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of Equity shares outstanding during the year. The following reflects the income and share data used in the basic and diluted EPS computations:

<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Profit/(Loss) after Taxation	<b>(5,108.42)</b>	11,079.25
Add/(Less): Adjustment of Income Tax earlier Years	<b>115.44</b>	548.38
Profit After adjustment of earlier year Income Tax	<b>(4,992.98)</b>	11,627.63
Weighted Average Number of Shares Issued	<b>360.65</b>	360.65
Earning Per Share in Rs. (Basic & Diluted)	<b>(13.84)</b>	32.24
(There are no potential equity shares)		
(Face Value of Rs. 5/- Share)		





**38. Related Party Disclosure**

**Associates- Nil**

**Other Related Parties/Group Companies\***

Nahar Capital & Financial Services Ltd., Nahar Poly Films Ltd., Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Limited., Abhilash Growth Fund (P) Ltd., Monica Growth Fund(P) Ltd., Monte Carlo Fashions Ltd., Oswal Foundation. Closetrunk Pvt Ltd. Sankeshwar Holding Company Ltd., OWM Poly yarns Ltd..

**Key Management personnel**

- Sh. Dinesh Oswal (Managing Director), Sh. Anil Kumar Garg (CFO), Sh. Brij Sharma (Company Secretary)

**Relatives of KMP**

- Sh. Jawahar Lal Oswal, Sh. Kamal Oswal, Mrs. Abhilash Oswal, Mrs. Ritu Oswal, Mr. Sambhav Oswal, and Ms. Tanvi Oswal

**Directors/Independent Directors**

Sh. Dinesh Gogna, Sh. Satish Kumar Sharma, Dr. Vijay Asdhir, Dr. Roshan Lal Behl, Dr. Manisha Gupta, Sh. Yash Paul Sachdeva, Sh. Anchal Kumar Jain

Particulars	Other Related Parties/ Group Companies		Key management Personnel & their relative and Directors/Independent Directors		Total
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	
Purchase of Goods/Services	1,061.07	1,242.29	-	-	1,242.29
Sale of Goods/Services	4,895.26	5,616.26	-	-	5,616.26
Purchase of Shares	-	2,000.00	-	-	2,000.00
Purchase of Fixed Assets	205.97	-	-	-	205.97
Sale of Fixed Assets	2,800.18	3,182.05	-	-	3,182.05
Rent Paid	34.57	34.07	4.32	4.32	38.89
Interest Paid	3.34	71.96	-	-	71.96
Rent Received	122.95	116.59	12.85	12.18	128.77
Interest Received	-	49.15	-	-	49.15
On other account paid	60.34	321.50	-	-	321.50
On other account received	117.21	201.80	-	-	201.80
Contribution towards CSR Expenses/advance	510.50	500.00	-	-	500.00
Sale of Export Licence	398.88	463.08	-	-	463.08
Inter-corporate Loans Taken	650.00	600.00	-	-	600.00
Inter-corporate Loans Repaid	650.00	1,600.00	-	-	1,600.00
Inter-corporate Loans Given	-	1,000.00	-	-	1,000.00
Inter-corporate Loans Received Back	-	1,000.00	-	-	1,000.00
Inter-corporate Loans Outstanding	-	-	-	-	-
Director Sitting Fee	-	-	3.40	3.20	3.20
Commission	-	-	913.84	460.06	913.84
Managerial Remuneration/Perquisites	-	-	1,488.70	1,725.53	1,725.53
Salary	-	-	377.61	280.62	280.62
Balance Receivable	831.03	1,466.77	-	-	1,466.77
Balance Payable	-	25.21	238.21	503.55	238.21

(Rs. in Lacs)

\* All transactions are inclusive of taxes wherever applicable



39. Fair value measurement  
(a) Financial instruments by category  
For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31 March 2024			31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	796.42	10,614.84	2,000.01	1,552.76	12,262.69	2,488.19
Trade receivables	-	-	42,837.84	-	-	31,492.58
Security deposit	-	-	3,534.65	-	-	3,465.50
Other financial assets	-	-	112.15	-	-	146.48
Cash and equivalents	-	-	90.17	-	-	5,213.68
Other bank balances	-	-	63.86	-	-	73.39
<b>Total</b>	<b>796.42</b>	<b>10,614.84</b>	<b>48,638.68</b>	<b>1,552.76</b>	<b>12,262.69</b>	<b>42,879.82</b>
<b>Financial liabilities</b>						
Borrowings(excluding current maturities of long term debts )	-	-	108,397.09	-	-	67,103.37
Trade payable	-	-	2,715.25	-	-	9,858.73
Other financial liabilities	-	-	257.58	-	-	194.67
<b>Total</b>	<b>-</b>	<b>-</b>	<b>111,369.92</b>	<b>-</b>	<b>-</b>	<b>77,156.77</b>

**(b) Fair value measurement hierarchy for assets and liabilities**

The Company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	31st March 2024			31st March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Particulars</b>						
<b>Financial assets</b>						
Investments	11,123.04	-	2,288.23	13,546.41	488.18	2,269.05
<b>Total financial assets</b>	<b>11,123.04</b>	<b>-</b>	<b>2,288.23</b>	<b>13,546.41</b>	<b>488.18</b>	<b>2,269.05</b>
<b>Financial assets and liabilities measured at amortised cost for which fair values are disclosed</b>						
<b>Particulars</b>						
<b>Financial Assets</b>						
Trade receivables			42,837.84	-	-	31,492.58
Security deposit	-	-	3,534.65	-	-	3,465.50
Other financial assets	-	-	112.15	-	-	146.48
Cash and equivalents	-	-	90.17	-	-	5,213.68
Other bank balances	-	-	63.86	-	-	73.39
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>46,638.67</b>	<b>-</b>	<b>-</b>	<b>40,391.63</b>
<b>Financial liabilities</b>						
Borrowings(excluding current maturities of long term debts )			108,397.09	-	-	67,103.37
Trade payable			2,715.25	-	-	9,858.73
Other financial liabilities	-	-	257.58	-	-	194.67
<b>Total</b>	<b>-</b>	<b>-</b>	<b>111,369.92</b>	<b>-</b>	<b>-</b>	<b>77,156.77</b>

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**(c) Fair value of financial assets and liabilities measured at amortised cost**

Particulars	31 March 2024		31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposit	3,534.65	3,534.65	3,465.50	3,465.50
<b>Total financial assets</b>	<b>3,534.65</b>	<b>3,534.65</b>	<b>3,465.50</b>	<b>3,465.50</b>
<b>Financial liabilities</b>				
Borrowings (excluding current maturities of long term debts)	108,397.09	108,397.09	67,103.37	67,103.37
Retention Money	190.56	190.56	161.40	161.40
<b>Total financial liabilities</b>	<b>108,587.65</b>	<b>108,587.65</b>	<b>67,264.77</b>	<b>67,264.77</b>

The carrying amounts of trade receivables, trade payables, advances to employees, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to short term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**40. Other Information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**41. Key Ratios**

Sr. No.	RATIO	Numerator	Denominator	31.03.2024	31.03.2023	% Variance	Reason for Variance
1	Current ratio (in times)	Total current assets	Total current liabilities	<b>1.50</b>	<b>1.89</b>	-20%	Not required as variance below 25%
2	Debt-Equity ratio (in times)	Debt consists of total borrowings	Total equity	<b>0.78</b>	<b>0.47</b>	65%	Due to higher availment of working capital limits
3	Debt service coverage ration (in times)	Earning for Debt Service=Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service=Interest + Principal repayments	<b>0.90</b>	<b>3.12</b>	-71%	Decrease is due to lower profitability
4	Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average Total equity	<b>-0.03</b>	<b>0.07</b>	-148%	Decrease is due to lower profitability
5	Inventory Turnover Ratio (in times)	Revenue from operations	Average Inventory	<b>3.19</b>	<b>3.04</b>	5%	Not required as variance below 25%
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	<b>8.21</b>	<b>6.68</b>	23%	Not required as variance below 25%
7	Trade payables turnover ratio (in times)	Net Credit Purchases	Average trade payables	<b>43.50</b>	<b>34.34</b>	27%	Due to higher purchases and coupled with increase in average creditors
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital	<b>5.21</b>	<b>4.50</b>	16%	Not required as variance below 25%
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	<b>-1.67</b>	<b>3.96</b>	-142%	Due to lower profitability
10	Return on capital employed (in %)	Profit before tax and finance costs	Capital employed= Net worth + Total debts+ Deferred tax liabilities)	<b>0.00</b>	<b>0.08</b>	-98%	Due to lower profitability
11	Return on investment (in %)	Income generated from invested funds	Average cost invested funds in investments	<b>0.03</b>	<b>0.07</b>	-58%	Due to Decrease in income from investments



## **Notes**

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## Performance At A Glance

Rupees in Lacs

SR. NO.	PARTICULARS	2019-20	2020-21	2021-22	2022-23	2023-24
1	OPERATING INCOME	208270	211186	359386	279691	305001
2	EXPORTS	110762	114634	217553	113516	162516
3	OTHER INCOME	728	696	1451	4431	1555
4	GROSS PROFIT( Before Interest & Dep)	6623	20081	81841	25278	9325
5	PROFIT AFTER TAX	-5306	4141	50219	11079	-5108
6	CASH ACCRUALS (Before Tax & Dep.)	358	13555	75018	22290	2709
7	GROSS BLOCK	121055	125935	136216	151270	168094
8	NET BLOCK	75597	72399	75208	83778	91775
9	SHARE CAPITAL ( PAID UP )	1805	1805	1805	1805	1805
10	NET WORTH	81914	89791	160056	155389	148117
11	DEFERRED TAX RESERVE	579	2296	5309	3219	1966
12	CURRENT RATIO	1.18	1.24	1.56	1.89	1.50
13	BOOK VALUE PER SHARE	227.13	248.97	443.80	430.86	410.69
14	EARNING PER SHARE ( BASIC )	-14.41	11.33	139.50	32.24	-13.84
15	FACE VALUE (PAID UP)	Rs. 5	Rs. 5	Rs. 5	Rs. 5	Rs. 5
16	DIVIDEND	-	30%	*Interim 30%	30%	20%
				* (Paid in November 2021)	Final 40%	



## *Glimpse of CSR Project under taken by Oswal Foundation*



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