

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

NSML/SD/2015

April 3, 2015

1. **The Vice President**
The National Stock Exchange Of India Ltd.,
Exchange Plaza, 5th Floor, Plot No. C/1,
G- Block, Bandra- Kurla Complex,
Bandra(E), MUMBAI- 400051
2. **The General Manager**
The Bombay Stock Exchange Limited
25th Floor, P.J. Tower
Dalal Street, Mumbai
MUMBAI- 400001

SUB:- QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Sir,

Pursuant to Clause 49 of the Listing Agreement, we are sending herewith Corporate Governance Report as on Quarter ended 31st March, 2015.

Kindly acknowledge the receipt.

Thanking You,

for NAHAR SPINNING MILLS LIMITED


(COMPANY SECRETARY)

Encl: As Above.

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QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company: NAHAR SPINNING MILLS LIMITED

Quarter ending on : 31.03.2015

| Particulars | Clause of Listing agreement | Compliance Status Yes/No | Remarks |
|---|-----------------------------|--------------------------|--|
| II. Board of Directors | 49 (II) | YES | |
| (A) Composition of Board | 49 (IIA) | YES | |
| (B) Independent Directors | 49 (IIB) | YES | |
| (C) Non-executive Directors' compensation & disclosures | 49 (IIC) | YES | |
| (D) Other provisions as to Board and Committees | 49 (IID) | YES | |
| (E) Code of Conduct | 49 (IIE) | YES | |
| (F) Whistle Blower Policy | 49 (IIF) | YES | |
| III. Audit Committee | 49 (III) | YES | |
| (A) Qualified & Independent Audit Committee | 49 (IIIA) | YES | |
| (B) Meeting of Audit Committee | 49 (IIIB) | YES | |
| (C) Powers of Audit Committee | 49 (IIIC) | YES | |
| (D) Role of Audit Committee | 49 (IIID) | YES | |
| (E) Review of Information by Audit Committee | 49 (IIIE) | YES | |
| IV. Nomination and Remuneration Committee | 49 (IV) | YES | |
| V. Subsidiary Companies | 49 (V) | N. A. | Note No. 1 |
| VI. Risk Management | 49 (VI) | YES | |
| VII. Related Party Transactions | 49 (VII) | YES | Note No. 2 |
| VIII. Disclosures | 49 (VIII) | YES | |
| (A) Related party transactions | 49 (VIIIA) | N.A | Note No. 2 |
| (B) Disclosure of Accounting Treatment | 49 (VIIIB) | YES | |
| (C) Remuneration of Directors | 49 (VIII C) | YES | The Company has complied this for the financial year ended 2014 and for the financial year ended 2015, this will be complied in the next Annual Report |
| (D) Management | 49 (VIII D) | YES | |
| (E) Shareholder | 49 (VIII E) | YES | |

Mumbai Office : 414, Raheja Chambers, 213 Nariman Point, Mumbai - 400 021
 Phones : 91-22-22835262, 22835362
 Fax : 91-22-22872863
 Email : mumbai@owmnaahar.com



Gurgaon Office : Flat No. 22-B, Sector-18, Gurgaon-120 015
 Ph. : 91-124-2430532 - 2430533
 Fax : 91-124-2430536
 Email : delhi@owmnaahar.com

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| | | | |
|--|-------------|------|---|
| (F) Proceeds from public issues, rights issue, preferential issues, etc. | 49 (VIII I) | N.A. | |
| IX. CEO/CFO Certification | 49 (IX) | YES | |
| X. Report on Corporate Governance | 49 (X) | YES | The Company has complied this for the financial year ended 2014 and for the financial year ended 2015, this will be complied in the next Annual Report. |
| XI. Compliance | 49 (XI) | YES | The Company has complied this for the financial year ended 2014 and for the financial year ended 2015, this will be complied in the next Annual Report. |

Note No. 1

The Company formed a 100% Wholly Owned Subsidiary in the name of Nahar Spinning Mills (FZE) in Sharjah Airport Free Zone, Sharjah, UAE on 09th December, 2013. The Company has not carried any commercial activity till August, 2014. The Board of Directors in their meeting held on 11th August, 2014 decided to close its 100% Wholly Owned Subsidiary Nahar Spinning Mills (FZE) and passed a resolution accordingly. The Company has already been closed. Copy of the Closure certificate issued by SAIF Zone authority is also enclosed.

Note No. 2

Pursuant to Clause 49 (VIII) (A) details of all material transactions with related parties is required to be disclosed quarterly alongwith the compliance report on corporate governance. Though Company does not have any Material transactions with related parties, however, in the normal course of Textile Business and due to nature of Textile Industry, Company is doing some transactions of sale and purchase of Yarns/Garments/Fabrics and Fabrication job etc. with its group companies, which are also engaged in Textile business. These transactions are entered into in the ordinary course of business and are at Arm's Length basis at prevailing market prices. These transactions are approved by Audit Committee.

for NAHAR SPINNING MILLS LIMITED


COMPANY SECRETARY



Ref: **LLL-IRS/L/214/2015/MB**
Date: **March 10, 2015**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

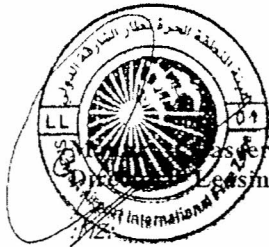
TO WHOM IT MAY CONCERN

This is to certify that M/s. NAHAR SPINNING MILLS (FZE), a Company formally registered under the License(s) No. 12955 at Sharjah Airport Free Zone Authority has closed down upon the investor request since 10/03/2015 and cleared all their outstanding against the SAIF-Zone authority without prejudice to the rights of the third party.

This certificate is issued upon investor request without any responsibility against the SAIF- Zone.

تشهد هيئة المنطقة الحرة لمطار الشارقة الدولي بان شركة ناهار سبيننج ميلز (م.م.ح) والتي كانت مسجلة لدينا سابقاً بالرخصة التجارية رقم ١٢٩٥٥ قد تم إغلاقها بتاريخ ١٠/٣/٢٠١٥ بناء على طلب المستثمر، كما تم تصفية كافة مستحقات هيئة المنطقة الحرة على الشركة دون المساس بحقوق الغير.

وقد صدرت هذه الشهادة عند طلب المستثمر دون أي مسؤولية على هيئة المنطقة الحرة لمطار الشارقة الدولي.



Licensing, Licensing & Legal Affairs

For Nahar Spinning Mills Ltd.

For Nahar Spinning Mills Ltd.

Ch. Secretary