

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

January 12, 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

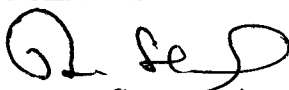
Sir,

Pursuant to Clause 49 of the Listing Agreement, we are sending herewith Corporate Governance Report as on Quarter ended 31st December, 2014.

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 : 31.12.2014

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	
(D) Management	49 (VIII D)	YES	
(E) Shareholder	49 (VIII E)	YES	
(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	
XI. Compliance	49 (XI)	YES	

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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 is in process of closing its 100% Wholly Owned Subsidiary as per the rules and regulations of U.A.E.

Note No. 2

Pursuant to Clause 49 (VIII) (A) details of all material transactions with related parties is required to be disclosed quarterly along with 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 and Shareholder's approval has also been taken vide resolution dated 30-09-2014.

for NAHAR SPINNING MILLS LIMITED


COMPANY SECRETARY