

33rd
ANNUAL REPORT

2014-2015

OSWAL YARNS LIMITED

OSWAL YARNS LIMITED

BOARD OF DIRECTORS

Sh. Tej Paul Oswal
Managing Director

Sh. Bharatt Oswal
Executive Director

Sh. D.B.S Gill
Sh. Surinder Kumar Garg
Sh. Kulwant Rai Dhawan
Smt. Mamta Jain

AUDITORS

Subash Vipan & Co.,
Chartered Accountants
161, Green Field,
Model Gram, Ludhiana
cascjain@gmail.com

BANKERS

State Bank of India,
Civil Lines, Ludhiana

REGISTERED OFFICE & WORKS

Oswal House, Link Road, Industrial Area-A,
Ludhiana-141 003 (Pb.)
Ph. 0161- 2224256, 2228755
E-mail:- oylyarns@rediffmail.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
Near PVR Naraina, New Delhi.
Ph: 011-41410592-93-94 Fax: 011-41410591
E-mail: delhi@linkintime.co.in

33RD ANNUAL GENERAL MEETING

Day : Wednesday
Date : 30th September 2015
Time : 10.30A.M
Place : CHICK FI Restaurant
Metro Road, Jamalpur Colony,
Ludhiana-141010 (Pb.)

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of OSWAL YARNS LIMITED will be held on Wednesday, 30th September, 2015 at 10:30 A.M at Chick FI Restaurant, Metro Road, Jamalpur Colony, Ludhiana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Surinder Kumar Garg (DIN: 01482096) who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To ratify appointment of M/s. Subash Vipam & Co., Chartered Accountants, (Firm Registration Number: 012898N), as Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to Sections 196,197,203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the re-appointment of Sh. Bharatt Oswal (DIN: 00469332) as Whole Time Director not liable to retire by rotation to be designated as Executive Director of the company for a period of 5 (five) years w.e.f. 31st July, 2015 be and is hereby approved and ratified.

RESOLVED FURTHER THAT his remuneration package as Executive Director will comprise of following subject to deduction of income tax at source and other levies if any applicable, during his aforesaid tenure as whole time director:

Remuneration Details:

Salary	Rs. 10,000/- per month
Entitlements	Re-imbursment of telephonic ,conveyance and entertainment expenses incurred in connection with the business of the company.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorized to alter and vary the terms and conditions including remuneration as may be permitted under the Companies Act, 2013 (including any modification or re-enactment thereof) & agreed to between the Board of Directors and Sh. Bharatt Oswal, Executive Director without seeking fresh approval of the shareholders.

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

“RESOLVED THAT Mrs Mamta Jain (DIN: 02328913) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27.03.2015 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as director of the company liable to retire by rotation.

By order of the Board of Directors,
For Oswal Yarns Ltd.

Sd/-

Place : Ludhiana
Dated : 31.08.2015

Tej Paul Oswal
Managing Director
DIN: 00781144

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on the poll instead of himself /herself and such proxy need not be a member of the company. This instrument appointing the proxy duly completed should be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting. A blank proxy form is enclosed to the notice.
2. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding share in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
3. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of the item no. 4 and 5 are annexed hereto and forms part of this Notice.
4. Register of Members and Share Transfer Books of the Company will remain Closed from Monday, the 28th September, 2015 to Wednesday, the 30th September, 2015.
5. In support of the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs the Company is sending the Annual Report 2014-15 electronically to its members whose email addresses are registered with the company's registrar/Depository Participant unless the member has specifically requested for physical copy of the report.

In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Register & Transfer Agent through your registered E-mail ID. However, if you hold the shares in physical form then you may register your email ID with Registrar & Transfer Agent of the company by sending a letter under your registered signature at the below mentioned address:

Link Intime India Pvt. Ltd.

44, Community Centre, 2nd Floor,

Naraina Industrial Area, Phase-I,

Near PVR Naraina, New Delhi-110028.

Ph: 011-41410592-93-94 Fax: 011-41410591

E-mail: delhi@linkintime.co.in

6. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) to every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the company or the company's Registrar and Transfer Agent.
7. A separate sheet containing the complete details of the instructions for e-voting is being sent to all the shareholders.
8. Details in terms of Clause 49 of the Listing Agreement in respect of appointment/re-appointment of directors is elaborated in the Directors Report and is also being given hereunder:

Sh. Surinder Kumar Garg aged 65 years has administrative and financial experience of over three decades. He is a member of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. He is not director of any other company. He is not holding any equity shares in the company.

Sh. Bharatt Oswal aged 50 years has more than three decades of experience in textile industry. He looks after policy formulation, commercial and administrative affairs of the company. He is not director in any other company. He holds 278600 equity shares comprising of 6.94% of voting rights in the company.

Mrs Mamta Jain aged 42 years is Woman Director on the Board of the company. She will be non executive director. She will not be involved in day to day working. She will advise and deliberate on the policy matters by virtue of her experience and expertise. She is not director in any other company. She is not holding any equity shares in the company.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, 26th September, 2015 at 9:00 A.M. and ends on Tuesday, 29th September, 2015 at 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 of 23rd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also 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.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- (i) 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 may follow the same instructions as mentioned above for e-Voting.
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Kindly take note that once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The Board of Directors have appointed Mr. Vikas Rai Berry, Practising Company Secretary, as a Scrutinizer to scrutinize the e-voting process. The result of voting will be declared within 48 hours of the conclusion of the AGM. It shall be placed at the website of the company and communicated to the Bombay Stock Exchange.

A member having any grievance connected with e-voting means can contact the undersigned namely Bharatt Oswal, Whole Time Director, Oswal Yarns Limited at registered office address or email at vikasrai339@rediffmail.com

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No 4**

It is proposed to re-appoint Sh.Bharatt Oswall as Whole Time Director to be designated as Executive Director w.e.f. 31st July, 2015 for a period of 5 (five) years . He will not be liable to retire by rotation. The necessary disclosures are given below :

Justification for his appointment as whole time director along with Statement /disclosures in terms of Section 196, 197 read with Schedule V and the rules framed there under and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) are given below:

General Information:

1. Nature of Industry: The Company is engaged in business of woollen yarns, shoddy yarns and knitted clothes falling under the Textile Industry.
2. Date or expected date of commencement of commercial production: The Company was incorporated on 16/06/1982 and has been working since then.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based upon given indicators (Rs. In lacs)

Description	FY 2014-15	FY 2013-14	FY 2012-13
Gross Revenue	407.66	492.62	486.07
Profit before tax	(0.40)	(10.93)	(10.88)
Profit after tax	(0.48)	(11.04)	(11.08)

5. Foreign Investments or collaborations, if any: The Company has not made any Foreign Investments and neither entered into any collaborations during FY 2014-15.
6. **Information about the appointee:**
 - (1) Background Details: Sh. Bharatt Oswall is 50 years old. He has experience of more than three decades in the textile market. He looks after policy formulation, commercial and administrative affairs of the company. He is associated with your company in its all endeavors of expansion of operations.
 - (2) Past Remuneration: He was given remuneration of Rs.10,000/- p.m. w.e.f. 01.04.2011.
 - (3) Recognition or awards: No
 - (4) Job Profile and his suitability/justification for appointment: Your company is engaged in business segment of woollen yarns, shoddy yarns and knitted clothes falling under the business segment of Textiles. It is facing challenging conditions in terms of domestic and overseas competition, increase in input costs and uncertain economic conditions. Sensing vast varied experience and abilities of Sh. Bharatt Oswall, it is proposed to re-appoint his as Whole Time Director of the company. His association will assist the company in facing these challenges and boost the company's operations.
 - (5) Remuneration Proposed: Remuneration proposed is already described in the aforesaid resolution placed before the shareholders for consideration and approval.
 - (6) Comparative remuneration profile with respect of 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): Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities of

Sh. Bharatt Oswal, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts.

- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any: Besides the remuneration proposed, he will not have any other pecuniary relationship with the company. The proposed appointee is relative of the Sh. Tej Paul Oswal.

8. Others :

1. Reasons for loss or inadequate Profits: Your company is in the business of woollen yarns, shoddy yarns and knitted clothes falling under the business segment of textiles. The profitability of the company is hit by overall sluggish market conditions of textile market, increasing input costs, uncertain market uncertain and low realizations. However the company has never defaulted in the payment of any statutory dues.
2. Steps taken or proposed to be taken for improvement: The overall textile market is expected to witness positive trends with the economy showing signs of improvement. It augurs well for your company. It is going to benefit from improved scenario. Apart from it, the company is exploring development of customer- specific product and stress on aggressive marketing for improvement in profitability.
3. Expected Increase in productivity, profits: Barring unforeseeable circumstances, the company is expecting increase in revenue and profitability in view of steps being taken as stated aforesaid. The revenue is expected to increase by 10%. The proposed resolution is placed for the approval of the shareholders in terms of Sections 196,197 read with Schedule V of the Companies Act, 2013. The Board recommends the resolution for your approval.
Except Sh. Tej Paul Oswal and Sh. Bharatt Oswal, the proposed appointee, none of other directors/ key managerial personnel of the company/their relatives are concerned or interested in the said resolution.

Item No. 5

Mrs. Mamta Jain was appointed as an Additional Director of the Company with effect from 27th March, 2015 by the Board of Directors in terms of Section 161 of the Companies Act, 2013. She is woman director on the Board of the company. She holds office only up to the date of the ensuing Annual General Meeting of the company and is eligible for appointment as a Director. A notice under Section 160(1) of the Companies Act ,2013 along with requisite deposit has been received from a member proposing her candidature as a Director. She does not hold any equity shares in the company.

Necessary resolution is set out in the item no.5 of the notice for the consideration and approval of the shareholders. The directors recommend the Ordinary resolution as proposed for your consideration and approval.

None of the directors or Key managerial personnel and/or his relative is interested in this resolution.

By order of the Board of Directors,
For Oswal Yarns Ltd.

Sd/-

Tej Paul Oswal
Managing Director
DIN: 00781144

Place : Ludhiana
Dated : 31.08.2015

DIRECTORS REPORT

To
The Members
Oswal Yarns Limited

Your Directors present the 33rd Annual Report together with Audited Statements of Accounts for the financial year ended 31st March, 2015.

Financial Highlights

The summarized financial results of the company during the financial year 2014-15 are as under:

S.No.	Particulars	2014-15	2013-14
1.	Gross Income	40788715	49286264
2.	Profit/(Loss) Before Interest, Depreciation & Tax	1876668	1808084
3.	Finance Charges	1502453	1409711
4.	Gross Profit/(Loss) after Interest (2-3)	374215	398373
5.	Provision for Depreciation	413216	1491365
6.	Net Profit /(Loss)Before Tax (4-5)	(39002)	(1092992)
7.	Provision for Tax	8562	10742
8.	Net Profit/(Loss) After Tax (6-7)	(47564)	(1103734)
	Appropriations		
9.	Statutory Reserve Fund	--	--
10.	Proposed Dividend	--	--
11.	Tax on proposed Dividend	--	--
12.	General Reserve	--	--
13.	Surplus carried to Balance Sheet	--	--
14.	Accumulated Profits	(1815689)	(951548)

Dividend

Your directors are unable to recommend any dividend due to loss .

Transfer to Reserves

No amount is transferred to any General Reserve Account. Net loss of Rs. 47564/- during the financial year 2014-15 stands appropriated/ accumulated the surplus being in the nature of Profit and Loss Appropriation Account.

State of Affairs of the Company

During the year under review your company achieved turnover of Rs. 40788715/- as compared to Rs. 49286264/- in the previous year. The net loss after tax has been Rs. 47564/- during the financial year 2014-15 as compared to Rs. 1103734/- in the previous year. However company has cash profits of Rs. 365653/- during the financial year 2014-15 as compared to Rs. 387631/- in the previous year. The company has at present no capital expenditure plan to expand its operations in view of financial constraints and uncertain market conditions.

There is no change in the nature of business of the company. The company has not changed it name.

Corporate Governance Report and Management Discussion & Analysis

Pursuant to the Listing Agreement, Management Discussion and Analysis Report, the Corporate Governance Report and certifications including Auditors' Certificate regarding compliance of conditions of corporate governance are attached as Annexure -1, 2 and 3 respectively and forms integral part of this report.

Share Capital

During the year, the Company has neither issued any Shares with or without differential rights nor issued any Sweat Equity shares. The Company has not purchased its own equity shares. The Paid up Equity Share Capital as on 31st March, 2015 stood at Rs. 4,01,00,000/- comprising of 40,10,000 Equity Shares of Rs. 10/- each. The shareholding pattern is given in the Corporate Governance Report forming part of this Report.

The Company has not issued or granted any stock option.

Number of Board Meetings

During the year 2014-15, 6(six) meetings of the Board of Directors were convened and held. The details of such meetings are given in the Corporate Governance Report section of this Report.

Public Deposits

The Company has not accepted any deposits from the public during the financial year 2014-15. There has not been any outstanding or unpaid or unclaimed deposits at the end of the financial year 2014-15 in terms of Section 73 of the Companies Act,2013 including rules framed therein.

Directors and Key Managerial Personnel

Mr. Surinder Kumar Garg, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. During the year, Mrs. Mamta Jain, have been appointed as an Additional Director and notice has been received alongwith requisite deposit for her appointment as director of the company in the ensuing annual general meeting of the company. Mr. Bharatt Oswal is reappointed as Executive Director w.e.f. 31st July, 2015.

Declaration by Independent Directors

The independent directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act,2013 and Clause 49 of the Listing Agreement.

Significant and Other Material Orders Passed by the Regulators or Courts

There are no significant and other material orders passed by the regulators or courts or tribunals during the financial year 2014-15 which has an impact on the going concern status and operations of the company substantially.

Particulars of Loans, Guarantee or Investments

The Company has not given any loans, guarantee or made investments in terms of Section 186 of the Companies Act, 2013.

Material Changes and Commitments, if any, affecting the financial position of the company

There are no material changes affecting the financial position of the company which have occurred between the end of the financial year 2014-15 of the company to which the financial statements relate and the date of the directors report

Particulars of Contracts or Arrangements with Related Parties

The company has not entered into any contract or arrangement or transactions with the related parties in terms of Section 188(1) of the Companies Act,2013 during the year under review. Form AOC-2 is enclosed as Annexure- 4

Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is enclosed as Annexure -5 and forms part of this Report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act,2013, directors of your company hereby state and confirm :

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures if any ;
- (b) the Directors 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 and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Selection & Remuneration Policy

The Board of Directors of your company on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of directors, key managerial personnel, senior management employees and their remuneration. The said policy is stated in the Corporate Governance Report as Annexure-2 and it forms part of this Directors Report.

Auditors

M/s Subash Vipam & Co., Chartered Accountants, Ludhiana were appointed as Statutory Auditors of the company at 32nd Annual General Meeting of the company so as to hold office as such till the conclusion of 37th Annual General Meeting of the Company subject to ratification of appointment at every Annual General Meeting. They have confirmed their eligibility to the effect that their reappointment, if made, would be within the prescribed limits under the Companies Act, 2013 and they are not disqualified for reappointment. They offer themselves for reappointment.

Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

Secretarial Audit Report

The Board has appointed Mr. Vikas Rai Berry, Practicing Company Secretary as Secretarial Auditors of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is enclosed Annexure-6 to this report. The Secretarial Audit Report is self-explanatory and do not call for any further comments.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

The information on conservation of energy, technology absorption and foreign exchange earning and outgo is annexed herewith as Annexure- 7 and forms part of this Report.

Risk Management

The Company has put in place Risk Management Policy to identify, assess, monitor and mitigate various risks including those posing threat to the existence of the company and otherwise associated with the business of the company. Major risks identified are systematically discussed at the meeting of the Audit Committee and Board of Directors of the company. The contents of Risk Management Policy have been included in Management Discussion and Analysis Report enclosed as Annexure-1 and forming part of this Report.

Corporate Social Responsibility (CSR)

The stipulation of formation of Corporate Social Responsibility Committee is not applicable to your company in terms of Section 135 of the Companies Act, 2013.

Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various committees viz. Audit, Nomination & Remuneration and Stakeholders Relationships Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report enclosed as Annexure-2 of this Report.

Industrial Relations

Industrial relations remained cordial throughout the year under review.

Internal Control Systems and Audit

Your company has adequate internal control system commensurate with the size and nature of the business. The company has engaged Berry & Associates as its external independent agency to conduct internal audit of affairs of the company. The scope of their work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis.

Audit Committee

The company has audit committee constituted by the Board of Directors in terms of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. It comprises of Sh. D.B.S.Gill as Chairman with Sh. Surinder Kumar Garg and Sh. Kulwant Rai Dhawan as members. All the recommendations of the audit committee were accepted by the Board of Directors. The details of composition, scope of work & meetings of audit committee during the year under review are given in the Corporate Governance Report enclosed as Annexure-2 of this Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee constituted by the Board of Directors in terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement consist of Sh. Kulwant Rai Dhawan as Chairman with Sh. Surinder Kumar Garg and Sh. D.B.S. Gill as members. It identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, make recommendation to the Board for the appointment and removal of directors, key managerial personnel, senior management employees and their remuneration. It shall carry out evaluation of every directors performance. The details of composition, scope of work and meetings of Nomination & Remuneration Committee are given in the Corporate Governance Report section of this Report.

Stakeholders Relationship Committee

The company has stakeholders relationship committee constituted by the Board of Directors in terms of Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. It comprises of Sh. Tej Paul Oswal as Chairman with Sh. Surinder Kumar Garg and Sh. Kulwant Rai Dhawan as members. It inter-alia considers and resolves the grievances of the shareholders and investors. The details of composition, scope of work & meetings of stakeholders relationship committee during the year under review are given in the Corporate Governance Report enclosed as Annexure-2 of this Report.

Vigil Mechanism/Whistle Blower Policy

The company has a vigil mechanism named whistle blower policy to deal with instances of genuine concerns, fraud and mismanagement, if any. The details of the vigil mechanism /whistle blower policy is explained in the Corporate Governance section of this report and has been uploaded on the website of the Company.

Subsidiaries/Joint Ventures and Associates

The company does not have any subsidiary/joint venture and associate company/concern.

Particulars of Employees

Information pertaining to employees in terms of Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 is Nil.

Policy for Prevention of Sexual Harassment of Women at Work Place

Company has adopted a policy for prevention, prohibition and redressal of sexual harassment of women at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2014-15, Company has not received any complaint on sexual harassment.

General

Your directors state that no amount is required to be transferred to Investor Education and Protection Fund. Further no fraud was reported to the Audit Committee /Board of Directors during 2014-15.

Listing

Securities and Exchange Board of India issued /granted exit orders to non-operational stock exchanges which includes the stock exchanges at New Delhi, Cochin, Ahmadabad and Ludhiana where the equity shares of your company stood listed. Consequently, the equity shares of your company stand listed at BSE(Bombay Stock Exchange) to whom the listing fee stands paid upto 2013-14.

The proposal for the voluntary delisting of the equity shares of the company is under the initial consideration of the Board and no final decision has yet been taken.

Acknowledgment

Your company expresses gratitude to the lenders, creditors, shareholders, government department, customers and business constituents for their cooperation and support.

By order of the Board of Directors
For Oswal Yarns Ltd.

Dated : 31.08.2015

Sd/-
Bharatt Oswal
Director
Din: 00469332

Sd/-
Tej Paul Oswal
Managing Director
DIN: 00781144

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Structure and Developments**

The business line of your company comprises of manufacturing of woollen & shoddy yarn and knitted clothes. The yarn is used for making hosiery, shawls, fabric etc. It falls under the single business segment of Textile industry.

India is the one of the world's largest producers of textiles and garments. The textile industry has made a major contribution to the national economy in terms of direct and indirect employment generation and foreign exchange earnings. The volatile macro-economic environment coupled with overall slackening of demand & economic growth adversely affected the margins of textile industry. However the Government of India focus on textile sector as part of Make in India program is expected to give boost including your company's plan of revival and growth.

Review of Operations & Dividend

During the year under review, there has been marginal decline in the turnover and other income to Rs.4.07 crores as compared to Rs.4.92 crores in the previous year. The Company has been able to check the arrest of the widening of losses. The net loss after tax has been Rs.0.48 lacs during the current financial year as compared to Rs.11.03 lacs in the previous year. Your company has cash profits of Rs.3.65 lacs during current financial year as compared to Rs.3.87 lacs in the previous year.

Segment wise reporting of performance is not applicable to your company as its business falls under single business segment of Textile. No dividend has been recommended for the financial year 2014-15 in view of losses.

Outlook

The overall textile industry is expected to grow in future expectedly in the mid-long term period. Weak currency too is likely to give positive impetus to Indian exports. The Government of Indian focus on stimulating domestic industry is likely to come with softening of interest rates and other incentives/packages.

Barring unforeseeable factors, your company expects to post improved performance.

SWOT**Strength**

1. Strategically located unit at Ludhiana with all infrastructural facilities
2. Strong core competence fundamentals of promoters
3. Easily accessible customer base.

Weakness

1. Working capital constraints due to financial losses
2. Volatile economic scenario
3. Rising input costs.

Opportunity

1. Macro economic conditions showing signs of improvement.
2. Expected softening of interest rates

Threats

1. Constraint in meeting fund requirements of the company towards working capital /other financial needs.
2. Competition from cheap imports.
3. Key managerial personnel/manpower leaving of company.

Management's Perception of Risk & Risk Management Policy

Your company is confident to counter the risk factors posing threat to company through Risk Management Policy. It envisages identifying, assessing, monitoring and mitigating the risks. Cheap imports, working capital constraints, rising input costs and volatile economic environment are identified to be major strategic and operating risks. The major risks so identified are systematically discussed at the meeting of the Audit Committee and Board of Directors of the company. Your company is confident to counter perceived risk factors with proactive steps like infusion of need based funds as unsecured loans by the directors to ease working capital

constraints, focussed customer oriented structured production and process/products improvements for perpetuating market.

Internal Control System

Your company has adequate internal control system commensurate with the size and nature of business to ensure utilization and protection of assets, compliance with statues and proper recording of transactions. The company has engaged Berry & Associates as its external independent agency to conduct internal audit of affairs of the company. The scope of their work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's expectations, estimates and projections may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

Annexure-2

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance

Your Company's philosophy on corporate governance is to observe the principles of transparency, integrity and accountability in all dealings in pursuit of its overall organizational goals. The focus areas of your Company include compliances of statues, self-discipline, timely and transparent disclosures, maximization of shareholders wealth and safety in operations.

2. Board of Directors

(a). Board Meetings

During the financial year 2014-15, 6 (six) Board Meetings were held on 29.05.2014, 26.07.2014, 30.08.2014, 30.10.2014, 30.01.2015 and 30.03.2015.

(b). Composition

The Board presently comprises of six directors. Two of them belong to promoters group while rest are non-executive independent / professional director. The details of the Board composition, attendance of directors at Board Meetings during 2014-15 and their attendance is given below:

Name of the Director	Attendance Particulars	No. of other Directorship/Committee Chairmanship/ membership in other companies			
		Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Tej Paul Oswal Managing Director	6	Yes	Nil	-	-
Mr. Bharatt Oswal Executive Director	6	Yes	Nil	-	-
Mr. D.B.S Gill Non Executive Director	4	-	3	3	-
Mr. Surinder K. Garg Non Executive Director	6	Yes	1	-	-
Mr. Kulwant Rai Non Executive Director	6	Yes	Nil	-	-
Mrs. Mamta Jain * Additional Director	-	-	Nil	-	-

*Appointed w.e.f. 27.03.2015 as woman director

(c). Information of Director being Re- appointed

A brief resume of the directors being appointed/re-appointed at the ensuing Annual General Meeting is furnished below:

Sh. Surinder Kumar Garg aged 65 years has administrative and financial experience of over three decades. He is a member of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. He is not director of any other company. He is not holding any equity shares in the company.

Sh. Bharatt Oswal aged 50 years has more than three decades of experience in textile industry. He looks after policy formulation, commercial and administrative affairs of the company. He is not director in any other company. He holds 278600 equity shares comprising of 6.94% of voting rights in the company.

Mrs Mamta Jain aged 42 years is Woman Director on the Board of the company. She will be non executive director. She will not be involved in day to day working. She will advise and deliberate on the policy matters by virtue of her experience and expertise. She is not director in any other company. She is not holding any equity shares in the company.

(d). Relationship amongst Director

Sh. Bharatt Oswal, Executive Director is son of Sh. Tej Paul Oswal, Managing Director of the Company. Sh. Surinder Kumar Garg, Sh. Kulwant Rai, Sh. D.B.S.Gill and Smt. Mamta Jain are not related with each other /any director of the company.

3. Audit Committee

Your company has audit committee constituted by the Board of Directors in terms of Section 177 of the Companies Act,2013 read with Clause 49 of the Listing Agreement. It comprises of Sh. D.B.S.Gill as Chairman with Sh. Surinder Kumar Garg and Sh. Kulwant Rai Dhawan as members. The Statutory Auditors and Internal Auditors are permanent invitees to this Committee. All the recommendations of the audit committee were accepted by the Board of Directors. The terms of reference inter-alia include :

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- (ii) review and monitor the auditor's independence and performance and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments if any made or proposed to be made;
- (vi) valuation of undertaking or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management system;
- (viii) monitoring the end use of funds, as and when and if raised through public offers and related matters.

The Audit Committee met 4 (four) times during financial year 2014-15 on 29.05.2014, 26.07.2014, 30.10.2014 and 30.01.2015.

4. Vigil Mechanism/Whistle Blower Policy

The company has a vigil mechanism named whistle blower policy whereby any personnel who has genuine concerns and/or observes matters involving any alleged misconduct (not necessarily a violation of law), fraud and mismanagement, if any, can approach the Audit Committee without necessarily informing their supervisors. The company has provided protection to "whistle blowers" from unfair termination and other prejudicial employment practices. During the financial year 2014-15, there has not been any instance of fraud/misconduct etc. reported under this policy of the company.

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee constituted by the Board of Directors in terms of Section 178 of the Companies Act,2013 and Clause 49 of the Listing Agreement consist of Sh. Kulwant Rai Dhawan as Chairman with Sh. Surinder Kumar Garg and Sh. D.B.S. Gill as members. It identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, make recommendation to the Board for the appointment and removal of directors, key managerial

personnel, senior management employees and their remuneration. It shall carry out evaluation of every directors performance. Other terms of reference include evaluation of :

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

During the financial year 2014-15, 3 (three) meetings of the Nomination and Remuneration Committee were held on 26.07.2014, 30.10.2014 and 26.03.2015

6. Stakeholders Relationship Committee

The company has stakeholders relationship committee constituted by the Board of Directors in terms of Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. It comprises of Sh. Tej Paul Oswal as Chairman with Sh. Surinder Kumar Garg and Sh. Kulwant Rai Dhawan as members. It inter-alia considers and resolves the grievances of the shareholders and investors viz. transfer of shares, non-receipt of shares/annual reports etc. & reviewing the reports of the Company's Registrar. The Stakeholders Relationship Committee met 4 (four) times during financial year 2014-15 on 26.04.2014, 25.07.2014, 18.10.2014 and 10.01.2015.

The company has designated oylarins@rediffmail.com as separate e-mail ID for redressal of investors complaints and grievances. During the year 2014-15, complaints were received and same were resolved. No complaint was pending as on 31.03.2015.

A Secretarial Audit is carried out by Mr. Vikas Rai Berry, Practising Company Secretary, to reconcile the admitted capital with NSDL & CDSL and total issued and listed capital. This audit is carried out in every quarter. The secretarial report confirms that total issued capital is in agreement with total number of shares in physical form and in dematerialized form with NSDL & CDSL.

7. General Body Meetings

The details of last three Annual General Meetings are as follows:

Year	Description
2013-14	32 nd Annual General Meeting held on Saturday, 27 th September, 2014 at 10:30 A.M. at Chick Fi Restaurant, Metro Road, Jamalpur Colony, Ludhiana. No special resolution was passed in this Annual General Meeting.
2012-13	31 st Annual General Meeting held on Saturday, 28 th September, 2013 at 10:30 A.M. at Chick Fi Restaurant, Metro Road, Jamalpur Colony, Ludhiana. No special resolution was passed in this Annual General Meeting.
2011-12	30 th Annual General Meeting held on Friday, 28 th September, 2012 at 10:30 A.M. at Chick Fi Restaurant, Metro Road, Jamalpur Colony, Ludhiana. No special resolution was passed in this Annual General Meeting.

During the year 2014-15, no resolution of postal ballot was passed.

Disclosures

During the year under review, there was no material significant transaction with the promoters, directors, management, their relatives etc. that may have potential conflict with the interest of the Company at large.

There has not been any non-compliance by the Company in respect of which penalties or strictures have been imposed by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Company has not issued any GDRs/ADRs. The Company did not have any subsidiary company.

OSWAL YARNS LIMITED

The disclosures as to Contingent liabilities and related party transactions are given in the Notes on Accounts annexed with the Balance Sheet and Profit & Loss Account.

The Company does not have any subsidiary/joint venture and associate company.

The Company has adopted Code of Conduct for its directors, key managerial personnel and senior managerial personnel.

8. Means of Communication

The Company communicated with the share holders at large through its Annual Reports and by filing reports & returns with the statutory bodies like Stock Exchanges and on mca portal. The financial results are published in The Financial Express and Desh Sewak.

9. General Information for Shareholders

1. 33rd Annual General Meeting

Date : 30.09.2015

Time : 10:30 A.M.

Venue : Chick FI, Restaurant, Metro Road, Jamalpur, Industrial Area-A
Ludhiana-141010 (Punjab)

2. Financial Calendar 2015-16

First Quarter Results : 30th July ,2015

Second Quarter Results : Within 30 days from quarter ending 30th
September, 2015

Third Quarter Results : Within 30 days from quarter ending 31st
December, 2015

Fourth Quarter Results : Within 60 days from 31st March, 2016

3. Date of Book Closure

28.09.2015 to 30.09.2015 (both days inclusive)

4. Dividend Payment Date

Not Applicable as dividend is not being declared.

5. Listing & Stock Code

The equity shares of the Company are presently listed with the Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 vide scrip code no. 514460.

6. Market Price Data

Financial Year 2014-15	Share Prices of the Company at BSE		BSE Sensex	
	High	Low	High	Low
Month				
April, 2014	---	—	22939	22197
May, 2014	1.50	1.30	25375	22277
June, 2014	1.86	1.42	25725	24270
July, 2014	2.02	1.53	26674	24892
August, 2014	2.33	1.99	27354	25232
September, 2014	1.90	1.46	27894	26220
October, 2014	1.40	1.33	28822	25910
November, 2014	1.77	1.33	28809	27739
December, 2014	2.03	1.85	29844	26469
January, 2015	1.94	1.85	29844	26776
February, 2015	1.90	1.81	29560	28044
March, 2015	1.80	1.48	30024	27868

7. Dematerialization of Shares, Registrar & Transfer Agent.

The equity shares of the Company are available for dematerialisation through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 291100 Equity Shares comprising of 7.3% (approx.) of the total equity shares of the company are in dematerialized form as on 31.03.2015.

The International Securities Identification Number (ISIN) of the Company is INE. Link Intime India Pvt. Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi has been Registrar for depository services and STA for handling of physical share transfer work.

8. Share Transfer System

The dematerialized equity shares are directly transferred to the beneficiaries by the depositories.

The process of transfer/transmission/ transposition etc. of equity shares in physical form including despatch of the share certificates is completed within a period of fifteen days if the documents are in order in all respects. The Shareholders Grievance Committee specifically looks into the re-dressal of shareholders complaints like transfer of equity shares and related matters.

9. Shareholding Pattern as on 31st March,2015

Category	No. of Shares	%
Promoters Group	1814400	45.25
Non Promoter Group		
Corporate Bodies	33256	
General Public	2162344	0.83
Total	4010000	53.92

10. Shareholding Distribution

Description	No. of Shareholders	%	No of Shares	%
Upto-5000	14682	99.83	2089100	52.10
5001-10000	11	0.07	71700	1.79
10001-above	8	0.10	1849200	46.11
Total	14701	100	4010000	100

11. Address for correspondence

Registered Office : Oswal House, Link Road, Industrial Area-A, Ludhiana-141003 (Pb.)

E-mail: oylyarns@rediffmail.com

Phone No.: 0161-2224256

CERTIFICATIONS**DECLARATION BY THE CHIEF EXECUTIVE OFFICER UNDER CLAUSE 49 (II-E) OF THE LISTING AGREEMENT**

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the year ended 31st March, 2015.

By order of the Board of Directors,
For Oswal Yarns Ltd.

Place : Ludhiana
Dated : 31.08.2015

Sd/-
Tej Paul Oswal
Managing Director
DIN: 00781144

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATES

To
The Members of
Oswal Yarns Limited

We have examined the compliance of conditions of Corporate Governance by Oswal Yarns Limited ("the company") for the year ended on 31st March, 2015, as stipulated in Clause 49 of Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state 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.

For Vikas Rai Berry
Practising Company Secretaries

Place: Ludhiana
Dated: 31.08.2015

Sd/-
(Vikas Rai Berry)
Prop.
FCS No. 4013
CP No. 12365

CEO/CFO CERTIFICATION

The Board of Directors
Oswal Yarns Limited
Link Road, Industrial Area-A,
Ludhiana

In terms of Clause 49 of the Listing Agreement, we hereby certify that;

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control system of the company and have not come any deficiencies in the design or operation of such internal control systems for the financial year ended 31st March, 2015.
- (d) We have indicated to the Auditors and the Audit Committee and that there had not been:
 - (i) significant changes in internal control during the financial year ended 31st March, 2015;
 - (ii) significant changes in accounting policies during the financial year ended 31st March, 2015; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

By order of the Board of Directors,
For Oswal Yarns Ltd.

Place : Ludhiana
Dated : 31.08.2015

Sd/-
Tej Paul Oswal
Managing Director
DIN: 00781144

FORM NO. AOC -2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Nil
2.	Nature of contracts/arrangements/transactions	Nil
3.	Duration of the contracts/arrangements/transaction	Nil
4.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Nil
5.	Justification for entering into such contracts or arrangements or transactions'	Nil
6.	Date of approval by the Board	Nil
7.	Amount paid as advances, if any	Nil
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

Details of contracts or arrangements or transactions at Arm's length basis :

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Nil
2	Nature of contracts/arrangements/transaction	Nil
3	Duration of the contracts/arrangements/transaction	Nil
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
5	Date of approval by the Board	Nil
6	Amount paid as advances, if any	Nil

By order of the Board of Directors
For Oswal Yarns Ltd.

Place : Ludhiana
Dated : 31.08.2015

Sd/-
Bharatt Oswal
Director
Din: 00469332

Sd/-
Tej Paul Oswal
Managing Director
DIN: 00781144

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Annexure- 5

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

i. REGISTRATION & OTHER DETAILS:

1.	CIN	L17111PB1982PLC005006
2.	Registration Date	16 th June, 1982
3.	Name of the Company	Oswal Yarns Limited
4.	Category/Sub-category of the Company	Public Limited Company having Share Capital
5.	Address of the Registered office & Contact details	Oswal House, Link Road Industrial Area- A, Ludhiana-141003, Phone: 0161-2224256, Fax: 0161-2228755, Email: oylyarns@rediffmail.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Register & Transfer Agent, if any	Link Intime India Pvt. Ltd., 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi- 110028. Phone: 011-41410592,93,94, Fax: 011-41410591, Email: delhi@linkintime.co.in

ii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated):-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Woollen Yarns	51.08	7.25
2.	Shoddy yarns	51.06	2.29
3.	Knitted Clothes	60.01	90.46

iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
Nil					

iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

A. Category-wise Share Holding:-

Category of Share holder	No. of Shares held at the beginning of Year				No. of Shares held at the end of the Year				% Change During the year
	Demat	Physical	Total	% of total Share	Demat	Physical	Total	% of Total Share	
A. Promoters (1) Indian									
a) Individual/ HUF	0	1814400	1814400	45.25	0	1814400	1814400	45.25	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (1)	0	1814400	1814400	45.25	0	1814400	1814400	45.25	0.00
(2) Foreign									
a) Individuals (NRI / foreign individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00

OSWAL YARNS LIMITED

d) Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub - Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	0	1814400	1814400	45.25	0	1814400	1814400	45.25	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non-Institutions									
a) Bodies Corp.	20400	11000	31400	0.78	22256	11000	33256	0.83	0.05
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	208500	1730300	1938800	48.35	222592	1713700	1936292	48.28	(0.07)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13200	23500	36700	0.92	26000	10700	36700	0.92	0.00
c) Others (specify)									
a) Non Resident Indians	16000	169100	185100	4.61	15700	169100	184800	4.61	0.00
b) HUF	3600	0	3600	0.09	4552	0	4552	0.11	0.02
Sub-total (B)(2):-	261700	1933900	2195600	54.75	291100	1904500	2195600	54.75	0.00
Total Public Shareholding (B) = (B)(1) + (B)(2)	261700	1933900	2195600	54.75	291100	1904500	2195600	54.75	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	261700	3748300	4010000	100	291100	3718900	4010000	100	0.00

B) Shareholding of Promoter-

Sr. No.	Shareholders' Name	Shareholding at the beginning of the Year			Shareholding at the end of the year			% Change in Share holding during the year
		No. of shares	% of total Shares of the Company	% of Share Pledged/ encumbered to the shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total share	
1	Tej Paul Oswal	886100	22.10	0	886100	22.10	0	0.00
2	Tarsem Kumari	318600	7.95	0	318600	7.95	0	0.00
3	Bharat B. Oswal	278600	6.94	0	278600	6.94	0	0.00
4	Suresh Oswal	144100	3.59	0	144100	3.59	0	0.00
5	Bharat B. Oswal-HUF	41550	1.04	0	41550	1.04	0	0.00
6	Suresh Oswal-HUF	41550	1.04	0	41550	1.04	0	0.00
7	Anju Oswal	69900	1.74	0	69900	1.74	0	0.00
8	Neena Oswal	34000	0.85	0	34000	0.85	0	0.00
	Total	1814400	45.25	0	1814400	45.25	0	0.00

OSWAL YARNS LIMITED

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): At the end of the year	No Changes in Promoters Shareholding during the year			

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

1.	BHARAT BHUSHAN FINANCE AND COMMODITY BROKERS LTD.*	12800	0.32	12800	0.32
2.	LALITABEN AMRITLAL SHAH*	12800	0.32	12800	0.32
3.	LALITA JAIN*	10700	0.27	10700	0.27
4.	GAJJAN SINGH THIND*	9100	0.23	9100	0.23
5.	ANJU JAIN*	7900	0.20	7900	0.20
6.	NEENA JAIN*	7900	0.20	7900	0.20
7.	ADITYA R AGARWAL*	7400	0.18	7400	0.18
8.	RAJAN KUMAR Purchased 13200 equity shares (0.33% voting rights) on 20.06.2014	0	0	13200	0.33
9.	SUREKHA MAHENDRA KHETANI Purchased 12800 equity shares (0.32% voting rights) on 05.09.2014	0	0	12800	0.32
10.	VIPUL RAJENDRABHAI GANDHI Purchased 3500 equity shares (0.08% voting rights) on 08.08.2014 Purchased 450 equity shares(0.01% voting rights) on 22.08.2014 Purchased 400 equity shares(0.01% voting rights) on 05.09.2014 Purchased 600 equity shares(0.01% voting rights) on 30.09.2014 Purchased 150 equity shares(0.00% voting rights) on 17.10.2014 Purchased 300 equity shares(0.01% voting rights) on 24.10.2014 Purchased 600 equity shares(0.01% voting rights) on 28.11.2014	0	0	6000	0.15
Total		68600	1.71	100600	2.51

*No purchase or sale of equity shares of these entities during the financial year under review .

E) Shareholding of Directors and Key Managerial Personnel:-

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Tej Paul Oswal	886100	22.10	886100	22.10
2.	Bharatt Oswal	278600	6.94	278600	6.94

Note: There is no change in the Shareholding of Directors & KMP during the year.

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8858390	3915772	-	12774162
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	8858390	3915772	-	12774162

OSWAL YARNS LIMITED

Change in Indebtedness during the financial year				
* Addition	-	6705775	-	6705775
* Reduction	6386116	-	-	6386116
Net Change	6386116	6705775	-	(319659)
Indebtedness at the end of the financial year				
i) Principal Amount	2472274	10621547	-	13093821
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2472274	10621547	-	13093821

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD Manager Sh. Bharatt Oswal Whole time Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 1,20,000/-	Rs. 1,20,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission- as % of profit- others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	Rs. 1,20,000/-	Rs. 1,20,000/-
	Ceiling as per the Act	Rs. 30,00,000/-	Rs. 30,00,000/-

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil
	Commission	Nil	Nil
	Others, please specify	Nil	Nil
	Total (1)	Nil	Nil
2	Other Non-Executive Directors	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil
	Commission	Nil	Nil
	Others, please specify	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)	Nil	Nil
	Total Managerial Remuneration	Rs. 1,20,000/-	Rs. 1,20,000/-
	Overall Ceiling as per the Act	Rs. 30,00,000/-	Rs. 30,00,000/-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil

OSWAL YARNS LIMITED

	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

By order of the Board of Directors
For Oswal Yarns Ltd.

Place : Ludhiana
Dated : 31.08.2015

Sd/-
Bharatt Oswal
Director
Din: 00469332

Sd/-
Tej Paul Oswal
Managing Director
DIN: 00781144

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,
The Members,
Oswal Yarns Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Oswal Yarns Limited (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/our verification of the Oswal Yarns Limited's 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 ended on 31st March, 2015 complied with the statutory provisions listed hereunder 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 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 there under;
- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *
 - (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;*
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and *
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Prevention of Sexual Harassment of Women at Workplace (Prohibition and Redressal) Act, 2013
- (vii) Factories Act, 1948
- (iv) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (v) Employees State Insurance Act , 1948

- (vi) Income Tax, 1961 and other indirect laws
- (vii) Minimum Wages Act, 1948
- (viii) Payment of Gratuity Act, 1972
- (ix) Payment of Wages Act, 1936
 - * Foreign Exchange Management Act, 1999 and the rules and regulations at Sub-para (iv), other acts/regulations /guidelines stated at sub-para (v) Serial Nos. (c) to (h) are not applicable to the Company for 2014-15 as there were no corporate decisions/ actions attracting these enactments regulations/guidelines.

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

- (i) The Secretarial Standards issued by The Institute of Company Secretaries of India as applicable.
- (ii) The listing agreement entered by the company with the Bombay stock exchanges .
During the period under review & as confirmed to me by the management ,the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors ,woman director 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.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and 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.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that 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.

I further report that during the audit period, no major decisions have been taken which have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

I further report that during the audit period , there were no instances of :

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

For Vikas Rai Berry
Practising Company Secretaries

Sd/-
(Vikas Rai Berry)
Prop.
FCS No. 4013
CP No. 12365

Place: Ludhiana
Dated: 31.08.2015

ANNEXURE 'A'

To,
The Members of
Oswal Yarns Limited

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

1. Maintenance of Secretarial Record including safe custody 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 processes 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 our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied on the judgment of statutory auditors and company management declaration with regard to tax laws and other compliances in the ambit of our audit.
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 procedures 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.
7. During the course of my examination of the books and records of the Company carried out in accordance with generally accepted practices in India, I have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed me of any such case.

For Vikas Rai Berry
Practising Company Secretaries

Sd/-
(Vikas Rai Berry)
Prop.
FCS No. 4013
CP No. 12365

Place: Ludhiana
Dated: 31.08.2015

Information as to Energy Conservation ,Technology Absorption , Foreign Exchange Earnings & Outgo**A.Conservation of Energy:****Steps Taken or Impact on Conservation of Energy:**

Energy conservation continues to be priority area of the management of your company. Steps taken in this regard includes stress on preventative maintenance, plugging of leakages and replacement of worn out wires.

Steps Taken for Utilizing Alternate Sources of Energy

No such steps were taken. However LED lights and the improvised ventilation system facilitate form part of steps taken for source of energy.

Capital Investment on Energy Conservation Equipments

No capital investment has been made on energy conservation equipments

Total energy consumption is given below :

Power and Fuel Consumption :

Description	Financial Year 2014-15	Previous Year
Electricity Purchase Units (KWH)	181601	184135
Total Amount (Rs.)	1448359	1439486
Rate/Unit (Rs.)	7.97	7.82
Own Generation/Steam Oil	Nil	Nil

B.Technology Absorption :

The technology used by the company is completely indigenous. It is continuously upgraded by inhouse efforts for product improvement and cost effectiveness.

No technology has been imported.

C. Foreign Exchange Earning and Outgo

There has not been any foreign exchange earning and outgo for and on behalf of the Board of Directors of Oswal Yarns Limited.

By order of the Board of Directors
For Oswal Yarns Ltd.

Place : Ludhiana
Dated : 31.08.2015

Sd/-
Bharatt Oswal
Director
Din: 00469332

Sd/-
Tej Paul Oswal
Managing Director
DIN: 00781144

**INDEPENDENT AUDITOR'S REPORT
To the Members of
Oswal Yarns Limited.****Report on the Financial Statements**

We have audited the accompanying financial statements of Oswal Yarns Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of Cash Flow Statement, cash flow for the year ended on that date.

Report on other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India by order dated April 10th, 2015 by Ministry of Corporate Affairs in terms of sub-section (4A) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, the Statement of Profit and Loss Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
 - f) the company has adequate internal financial controls system in place and such controls are effectively in operation.

Place : Ludhiana
Dated : 30.05.2015

For Subhash Vipam & Co.
Chartered Accountants
Sd/-
(Subhash Jain)
Partner
M. No. 085224

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

1. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed off the substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories by the management as compared to the book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory & fixed assets and for sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. In respect of statutory dues
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess, and other statutory dues have been generally regularly deposited with the appropriate authorities though there has been a slight

OSWAL YARNS LIMITED

delay in a few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st of March, 2015 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

(c) According to the records of the Company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

8. The accumulated losses of the company at the end of the financial year was Rs. 18.16 lacs.. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
10. According to the information and explanations given to us, the Company has not given guarantees for loan taken by others from a bank or financial institutions.
11. Based on our audit procedures and on the information given by the management, we report that the Company has not raised any term loans during the year.
12. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

**FOR SUBASH VIPAN & CO.
CHARTERED ACCOUNTANTS**

Sd/-

(SUBHASH JAIN)

PARTNER

M. No. 85224

F.R. No. 012898N

Place : Ludhiana

Dated :30.05.2015

OSWAL YARNS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

Amount in Rs.

PARTICULARS	Note No.	AS AT 31.03.2015		AS AT 31.03.2014	
I. EQUITY AND LIABILITIES					
1) Shareholders' funds					
a) Share capital	1	40100000		40100000	
b) Reserves and surplus	2	-1815689		-951548	
c) Money received against share warrants		0	38284311	0	39148452
2) Share application money pending allotment			0		0
3) Non-current liabilities					
a) Long-term borrowings	3	11092985		4552642	
b) Deferred tax liabilities (net)		0		0	
c) Other long term liabilities		0		0	
d) Provision for gratuity	4	292416	11385401	280059	4832701
4) Current liabilities					
a) Short-term borrowings	5	1749796		7924235	
b) Trade payables	6	72547		82193	
c) Other current liabilities	7	540485		552643	
d) Short-term provisions	8	156465		139542	8698613
Total			<u>2519293</u>	<u>139542</u>	<u>8698613</u>
			52189004		52679766
II. ASSETS					
1) Non-current assets					
a) Fixed assets					
i) Tangible assets	9	5934836		7151993	
ii) Intangible assets		0		0	
iii) Capital work-in-progress		0		0	
iv) Intangible assets under development					0
0					
b) Non-current investments		0		0	
c) Deferred tax assets (net)		0		0	
d) Long-term loans and advances	10	248276		248276	
e) Other non-current assets		0	6183112	0	7400269
2) Current assets					
a) Current investments		0		0	
b) Inventories	11	23908662		23465959	
c) Trade Receivables	12	20794510		20498884	
d) Cash and cash equivalents	13	247558		193167	
e) Short-term loans and advances	14	1055163		1121487	
f) Other current assets		0		0	45279497
Total			<u>46005892</u>	<u>0</u>	<u>45279497</u>
			52189004		52679766

III. Significant accounting policies & other notes 22 to 33

Schedules referred to above and notes 1 to 33 attached there to form an integral part of Balance Sheet

As per our report of even date.
FOR SUBASH VIPAN & CO.
CHARTERED ACCOUNTANTS

For & on behalf of Board
OSWAL YARNS LIMITED

Sd/-
(SUBHASH JAIN)
PARTNER

Sd/-
(TEJ PAUL OSWAL)
MANAGING DIRECTOR

Sd/-
(BHARATT OSWALL)
WHOLE-TIME DIRECTOR

Place : Ludhiana
Dated : 30.05.2015

OSWAL YARNS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

Amount in Rs.

PARTICULARS	Note No.	AS AT 31.03.2015	AS AT 31.03.2014
I. Revenue from operations	15	40766988	49262017
II. Other income	16	21727	24247
III. Total Revenue (I +II)		40788715	49286264
IV. Expenses:			
Cost of materials consumed	17	3504855	4489169
Purchase of finished products		34262323	33186439
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	-2957188	5582981
Employee benefits expense	19	1373066	1355888
Finance costs	20	1502453	1409711
Depreciation	9	413216	1491365
Other expenses	21	2713434	2836130
Total expenses		40812159	50351683
V. Profit before exceptional and extraordinary items and tax (III - IV)		-23445	-1065419
VI. Exceptional items			
Less : expenses relating to previous Year		3200	37970
Less/Add : Provision for Gratuity		12357	10397
VII. Profit before extraordinary items and tax (V -VI)		-39002	-1092992
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		-39002	-1092992
X. Tax expense:			
1) Current tax		8562	10742
2) Deferred tax		0	0
XI. Profit for the period from continuing operations (IX - X)		-47564	-1103734
XII. 1) Basic		0	0
2) Diluted		0	0
Earnings per equity share:			
XIII. Significant accounting policies	33		

Schedules referred to above and notes 1 to 33 attached there to form an integral part of Balance Sheet

As per our report of even date.
FOR SUBASH VIPAN & CO.
CHARTERED ACCOUNTANTS

For & on behalf of Board
OSWAL YARNS LIMITED

Sd/-
(SUBHASH JAIN)
PARTNER

Sd/-
(TEJ PAUL OSWAL)
MANAGING DIRECTOR

Sd/-
(BHARATT OSWALL)
WHOLE-TIME DIRECTOR

Place : Ludhiana
Dated : 30.05.2015

NOTES ON ACCOUNT

(In Rupees)

	ASAT 31.03.2015		ASAT 31.03.2014	
Note No. 1				
Share capital				
	Number of Shares	Amount	Number of Shares	Amount
Authorized				
Equity shares of rupees 10/- each	4,250,000.00	42,500,000.00	4,250,000.00	42,500,000.00
Total	4,250,000.00	42,500,000.00	4,250,000.00	42,500,000.00
Issued subscribed and paid up				
Equity shares of rupees 10/- each	4,010,000.00	40,100,000.00	4,010,000.00	40,100,000.00
Total	4,010,000.00	40,100,000.00	4,010,000.00	40,100,000.00

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

Equity shares of rupees 10/- each :

Particulars	No. of Shares	Amount	No. of Shares	Amount
Number of shares and amount at the beginning of the year	4,010,000.00	40,100,000.00	4,010,000.00	40,100,000.00
Add : Shares issued during the year	0.00	0.00	0.00	0.00
Number of shares and amount at the end of the year	4,010,000.00	40,100,000.00	4,010,000.00	40,100,000.00

Rights, preferences and restrictions attaching to each class of shares

Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Every member present in person at a general meeting shall have one vote if a resolution is put to vote by a show of hand and on a poll every member shall have one vote in respect of each share held by such member. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Shares in the company held by each shareholder holding more than 5 percent shares:

Name	Percentage of Shares	Number of Shares	Percentage of Shares	Number of Shares
Equity shares of rupees 10/- each :				
Tej Paul Oswal	22	886100	22	886100
Tarsem Kumari Oswal	8	318600	8	318600
Bharatt Oswal	7	278600	7	278600

NOTES ON ACCOUNT

(In Rupees)

	ASAT 31.03.2015	ASAT 31.03.2014
Note No. 2		
Reserves and surplus		
Surplus i.e. balance in statement of profit and loss		
As at the beginning of the year	-951548	152186
Add : transferred from statement of profit and loss	-47564	-1103734
	<u>-999112</u>	<u>-951548</u>
Less: Additional Amt. of Depreciaption (as Per Schedule II of the Companies Act, 2013)	-803942	0
	<u>-1803053</u>	<u>-951548</u>
Less : FBT/ TDS/ Income Tax	12636	-1815689
Total	-1815689	-951548

Note No. 3

Long-term borrowings

I. Secured	31.03.2015	31.03.2014
Term loans from banks :		
i. Term Loan from ICICI BANK LTD-I	0	46245
Less: Amount of Current Maturity	<u>0</u>	<u>46245</u>
ii. Term Loan from ICICI BANK LTD-II	542639	658071
Less: Amount of Current Maturity	<u>178800</u>	<u>178800</u>
iii. Term Loan from SBI	179839	229839
Less: Amount of Current Maturity	<u>72240</u>	<u>157599</u>
Total Secured Long Term Borrowings (I)	471438	636870

Nature of Security: i. Term loan facility is secured by hypothecation of Car.

Particulars of Repayment: Repayable in 60 monthly instalments of Rs.14900/- w.e.f. 01 Jan, 2014

Nature of Security: ii. Term loan facility is secured by hypothecation of Car.

Particulars of Repayment: Repayable in 60 monthly instalments of Rs.6019 /- w.e.f. 28 Feb, 2013

Amount of default in repayment of loan: NIL (Previous year : NIL),Period of continuing default in repayment of loan: NIL(Previous Year: NIL)

Default in payment of Interest : NIL (Previous year: NIL), Period of continuing default in payment of interest : NIL (Previous Year: NIL)

II. Unsecured	31.03.2015	31.03.2014
Inter-corporate Loans	0	0
Loans and advances from related parties	10621547	3915772
Total Unsecured Long Term Borrowings (II)	10621547	3915772

The unsecured loans are repayable after 12 months from the date of squaring up of bank dues. However, the company reserve the right to prepay the same earlier. During previous year also, the terms of repayment were same. Rate of interest is 12%.

Amount of default in repayment of loan: NIL (Previous year : NIL),Period of continuing default in repayment of loan: NIL(Previous Year: NIL)

Default in payment of Interest : NIL (Previous year: NIL), Period of continuing default in payment of interest : NIL (Previous Year: NIL)

Total Long Term Borrowings (I+II)	11092985	4552642
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OSWAL YARNS LIMITED

(In Rupees)

	ASAT 31.03.2015	ASAT 31.03.2014
Note No. 4		
NON CURRENT LIABILITIES		
Long term provisions		
Provision for gratuity	292416	280059
Total	292416	280059

Note No. 5

	ASAT 31.03.2015	ASAT 31.03.2014
SHORT TERM BORROWINGS		
STATE BANK OF INDIA		
(i) Cash Credit Limit (Stocks)	1430694	4891859
(ii) Cash Credit Limit (Book Debts)	319102	3032376
Total	1749796	7924235

() Nature of security and terms of sanction:**

Working capital limits are repayable on demand and secured by hypothecation of stocks of raw material, semi-finished, finished goods, and receivables, and collaterally secured by equitable mortgage of factory land & building in the name of company. Further secured by personal guarantee of one of the directors.

Default in payment of Interest : NIL (Previous year: NIL), Period of continuing default in payment of interest : NIL (Previous Year: NIL)

Note No. 6

Trade payables (Short Term)

- Due to micro, small and medium enterprises	0.00	0.00
- Due to others	72547	82193
Total	72547	82193

NOTE: a. The Company has not received any communication from any of its suppliers/ service providers, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.

Note No. 7

Other current liabilities	31.03.2015	31.03.2014
a. Current maturities of long-term debt		
- ICICI Bank Ltd.	178800	225045
- State Bank of India	72240	72240
b. Advance from customers	0	0
c. Other payables		
- Employee benefits payable	150666	178469
- Statutory dues Payable	138779	76889
	289445	255358
Total	540485	552643

Note No. 8

Short-term provisions	31.03.2015	31.03.2014
Provision for Current income Tax(Net of TDS)	8562	6389
Provision for Expenses	150076	132506
Total	156465	139542

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2015
NOTE NO. 9: Fixed Asset

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Value at the beginning of the year	Addition during the year	Deduction during the year	Value at the end	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2015	WDV as on 31.03.2014
I.	Tangible Assets									
	a) Land	2021309.00	0.00	0.00	2021309.00	0.00	0.00	0.00	2021309.00	2021309.00
	b) Building	2723751.00	0.00	0.00	2723751.00	1731329.27	471.48	1816528.29	907222.71	992421.73
	c) Plant and Machinery	30235271.00	0.00	0.00	30235271.00	27464126.95	1012728.45	28564106.40	1671164.60	2771144.05
	d) Furnitures & Fixtures	57527.72	0.00	0.00	57527.72	57073.47	2422.39	54651.08	2876.64	454.25
	e) Vehicle	3111991.06	0.00	0.00	3111991.06	1745327.31	240294.00	1779728.38	1332262.68	1366663.75
	SUB TOTAL (A)	38149849.78	0.00	0.00	38149849.78	30997857.00	-803941.65	32215014.15	5934835.63	7151992.78
II.	Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	SUB TOTAL (B)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III.	Capital Work-in-progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	SUB TOTAL (C)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV.	Intangible Assets Under Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	SUB TOTAL (D)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total [A+B+C+D] (Current Year)	38149849.78	0.00	0.00	38149849.78	30997857.00	-803941.65	32215014.15	5934835.63	7151992.78
	Total [A+B+C+D] (Previous Year)	37319902.78	829947.00	0.00	38149849.78	29506492.00	1491365.00	30997857.00	7151992.78	7813410.78

OSWAL YARNS LIMITED

NOTES ON ACCOUNT

(In Rupees)

	AS AT 31.03.2015	AS AT 31.03.2014
Note No. 10		
Long-term loans and advances (unsecured considered good)		
Security deposits	248276	248276
Total	248276	248276

Note No. 11

Inventories

Raw Materials	3475427	5967636
Finished Goods	7824188	4572052
Work in Process	0	49785
Trading Goods	12123843	12369006
Consumables	485204	507480
Total	23908662	23465959

Inventory is taken and valued as certified by the management.

Mode of valuation:

Raw materials, work-in-progress, finished goods, consumables have been valued at cost and net realizable value. The cost in respect of various items of inventory is computed as under :

- Raw materials at actual cost plus direct expenses incurred to bring the stock at its present position and location excluding VAT.
- Work-in-progress at raw material cost plus conversion cost depending upon the stage of completion.
- Finished goods at raw material cost plus conversion cost incurred to bring the goods up to their present condition and location.
- Consumables at actual cost plus direct expenses incurred to bring the stock at its present position and location excluding VAT.
- Waste has been valued at net realizable value.

Note No. 12

Trade receivables	As at 31.03.2015	As at 31.03.2014
(unsecured considered good)		
Outstanding for a period exceeding six months from the date they are due for payment.	12775397	11122789
Outstanding for a period not exceeding six months from the date they are due for payment.	8019113	9376095
Total	20794510	20498884

OSWAL YARNS LIMITED

Note No. 13

Cash and cash equivalents	As at 31.03.2015	As at 31.03.2014
Balances with banks in current/ cash credit accounts	28673	27068
Cash on hand (including imprest)	218885	166099
Total	247558	193167

Note No. 14

Short-term loans and advances	As at 31.03.2015	As at 31.03.2014
(unsecured considered good)		
To Others:		
Advances recoverable in Cash or in kind or for value to be received	126623	192947
Advance income tax (net of provision for income tax : Rs. 0 (Previous year: 0)	0	0
Excise Duty (disputed)	928540	928540
Note:Company has paid excise duty which is disputed by it and has filed appeals with appropriate authority. No provision has been made as the company is hopeful of favorable decision.		
Total	1055163	1121487

OSWAL YARNS LIMITED

NOTES ON ACCOUNT

(In Rupees)

	FOR THE YEAR ENDED 31.03.2015	ASAT YEAR ENDED 31.03.2014
Note No. 15		
Revenue from operations		
a. Sale of Manufacturing/Trading		
- Sale	40764383	49115930
b. Spinning Charges Received	0	135313
Other operating revenues		
- Amounts Written Back	2605	10774
Total	40766988	49262017
Note No. 16		
Other income		
Interest income	21727	24247
Rebate & Discount	0	0
Total	21727	24247
Note No. 17		
Cost of materials consumed		
Cost of Goods/Raw materials		
Opening stock of raw materials	5967636	5344255
Add: Purchase of raw materials	<u>1012646</u>	<u>5112550</u>
	6980282	10456805
Less: Sale of raw materials	0	0
Less: Closing stock	<u>3475427</u>	<u>5967636</u>
Total	3504855	4489169
Note No. 18		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock:		
Finished Goods	16941058	22573824
W.I.P.	<u>49785</u>	<u>0</u>
	16990843	22573824
Less Closing Stock		
Finished Goods	19948031	16941058
W.I.P.	<u>0</u>	<u>49785</u>
	19948031	16990843
TOTAL	-2957188	5582981
Note No. 19		
Employee benefits expense		
Salaries	167620	153960
Wages	779953	755559
Bonus	52028	50527
Leave With Wages	30614	39258
E.S.I. Employer's Contribution	50715	48905
Gratuity	17335	14210
LIC Contribution	10000	25000
E.P.F. Employer's Contribution	143637	138609
Directors' Remuneration	120000	129200
Labour Welfare Fund	1164	660
Total	1373066	1355888

OSWAL YARNS LIMITED

NOTES ON ACCOUNT

(In Rupees)

	FOR THE YEAR ENDED 31.03.2015	ASAT YEAR ENDED 31.03.2014
Note No. 20		
Finance costs		
Interest paid on borrowings from bank and others	1468196	1354936
Other Borrowings Cost	34257	54775
Total	1502453	1409711
Note No. 21		
Other Expenses		
Manufacturing Expenses		
Electric Charges	1448359	1439486
Lubricant & Chemicals	251284	161665
Consumable Store	74037	73202
Packing Expenses	169766	173772
Freight & Cartage	34565	61660
Job Work Expenses	0	27295
Machinery Repair	18388	110155
Electric Repair	35939	12385
Diesel & Oil	0	15805
Less Job Work Expenses	0	0
SUB-TOTAL	2032338	2075425
Auditors remuneration		
- Audit Fees	20000	16000
- Tax Audit Fees	5000	5000
- Certification Charges	1100	5000
- Income Tax Matter	0	1100
	26100	27100
Service Tax	3226	29326
		3347
		30447
Fees and Taxes	53604	74288
Legal and professional charges	180796	163191
Printing & Stationery	58850	66587
Telephone Expenses	21172	27913
Postage & Telegram	66115	65311
Insurance	48272	45824
News Paper & Periodicals	5490	2400
Vehicle Repair & Maintenance	11130	30171
Conveyance	71473	61562
Building Repair	14955	6382
General Expenses	54612	73338
General Repair	10900	0
Fine BSE	2247	0
VAT Penalty	0	1500
Electricity Expenses Office	23180	46960
House Tax/ Property Tax	28324	58382
Computer Expenses	650	6450
Total	2713434	2836130

NOTES ON ACCOUNT

(In Rupees)

Note No. 22

a. Contingent liabilities and commitments

(i) Contingent liabilities**i. Claims against the Company not acknowledged as debt:-**

Punjab State Industrial Development Corporation Ltd. (PSIDC) had made investment in the equity shares of the Company under an agreement with the promoters, for buy-back of these shares at a later date under the direct subscription scheme. Such buy-back agreement was between PSIDC and the promoters. The option to buy-back was exercised by the promoters, under the OTS scheme floated by PSIDC, and was accepted by PSIDC on 02.06.2003 in full and final. It returned the share certificates along with share transfer deeds and also share certificates held as security to the promoters. However, on the basis of a later notification dated 06.02.2009 of the Government of Punjab, the PSIDC is of the view that OTS scheme was not applicable and demanded a sum of Rs. 49,11,395/- with interest upto the date of payment. On an application filed by the company and its promoters, The Hon'ble Punjab & Haryana High Court has granted stay against the proceedings before the Hon'ble Debt Recovery Tribunal in the matter of suit filed by PSIDC in this regard.

As the company was never under any obligation for buy-back of the shares, it is strongly of the view that the stand of PSIDC is not tenable and it is in no way liable for this amount and thus has not acknowledged the same as debt. However, following a good practice, disclosure has been made without, in any way, accepting the liability/obligation on this count.

Note No. 23

Earnings Per Share		(In Rupees)
Particulars	31.03.2015	31.03.2014
1. Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	-47564	-1103734
2. Weighted Average number of Equity Shares used as denominator for calculating EPS	4010000	4010000
3. Basic Earnings per share	0	0

Note No. 24

Segment Reporting:

The company's business predominantly comprises of only one segment i.e. manufacturing and trading of hosiery yarns/ cloth, therefore there is no separate reportable segment as required by AS-17 on segment reporting.

Note No. 25

EXPENDITURE IN FOREIGN CURRENCY	0	0
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Note No. 26

EARNING IN FOREIGN EXCHANGE	0	0
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Note No. 27**CONSUMPTION OF IMPORTED AND INDIGENOUS****RAW MATERIALS**

Particulares	31.03.2015	31.03.2014
Indigenous	3504855	4489169
% of Total Consumption	100	100
Imported	0	0
% of Total Consumption	0	0
Total	<u>3504855</u>	<u>4489169</u>
Stores & spare		
Indigenous	549414	546984
% of Total Consumption	100	100
Imported	0	0
% of Total Consumption	0	0
Total	<u>549414</u>	<u>546984</u>

Note No. 28

Balances of various parties are subject to confirmation. However, in the opinion of the Board of Directors, all the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, except as expressly stated otherwise.

Note No. 29**Deferred Tax**

As a matter of prudence, deferred tax assets amounting to Rs. 0.51 Lacs (Previous year Rs. 3.51 Lacs) on account of timing difference in depreciation has not been recognised in accounts.

Note No. 30

Previous year figures have been grouped or regrouped wherever necessary to make the figures comparable.

Note No. 31. Employee Benefits:

i) The summarized position of Post-employment benefits and long term employee benefits recognized in the profit & Loss account and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) are as under :-

(a) Changes in the present value of the obligation :

Particulars	As At 31.03.2015	As At 31.03.2014
1. Present value of obligation as at the beginning of the period	542829	523928
2. Current Service Cost	48652	48344
3. Interest Cost	43426	41914
4. Net actuarial (-) gain/loss recognised in the period	-49951	-71357
5. Present value of obligation as at the end of the period	584956	542829
6. Current liability of obligation as at the end of the period	292416	262770
7. Non-current liability of obligation as at the end of the period	292540	280059

(b) Expenses recognised during the period :

Particulars	As At 31.03.2015	As At 31.03.2014
1. Current service cost	48652	48344
2. Interest cost	43426	41914
3. Net actuarial (-) gain/loss recognised in the period	-49951	-71357
4. Expenses to be recognised in the statement of Profit & Loss during the period	42127	18901
5. Net effect of prior period adjustment for accrued gratuity	-18476	-19905
6. Expenses recognised in the statement of profit and loss during the period	23651	-1004

(c) Actuarial assumptions:

1. Discount rate	8%	8%
2. Salary growth rate	7%	7%
3. Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
4. Withdrawal rate	1% to 3% depending on age	1%to 3% depending on age

NOTE NO. 32

RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

1. List of Related Parties where controls exists and related parties with whom transactions have taken place:

Nature of Relation

KEY MANAGEMENT PERSONNAL

Sh. Tej Paul Oswal

Sh. Bharatt Oswal

2. Transactions during the year with related parties :

Key Management Personnel	Amount Current Year	Amount Previous Year
Sh. Tej Paul Oswal		
Opening Balance of Loan	2716058	2451316
Loan Received	2000000	0
Loan Bal. O/S at yr. End	5104669	2716058
Interest	431790	294158
Sh. Bharatt Oswal		
Opening Balance of Loan	1199714	1082774
Loan Received	4000000	0
Loan Bal. O/S at yr. End	5516878	1199714
Interest	352404	129933
Director Remuneration	127867	129200

NOTE NO. 33

Significant Accounting Policies

Following significant accounting policies are being followed by the company:-

- a) Basis of preparation and presentation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP) to comply with the accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 Companies (Accounts) Rules, 2014 and the relevant provisions of the companies Act, 2013. The Financial statements have been prepared under the historical cost convention on accrual basis.

- b) Inventories

Raw materials, work-in-progress, finished goods, consumables have been valued at cost and net realizable value. The cost in respect of various items of inventory is computed as under :

- Raw materials at actual cost plus direct expenses incurred to bring the stock at its present position and location excluding VAT.
- Work-in-progress at raw material cost plus conversion cost depending upon the stage of completion.

- Finished goods at raw material cost plus conversion cost incurred to bring the goods up to their present condition and location.
 - Consumables at actual cost plus direct expenses incurred to bring the stock at its present position and location excluding VAT.
 - Waste has been valued at net realizable value.
- c) Revenue Recognition
Sale of Products & services: Sales are recognised when all the significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree associated with ownership.
- d) Fixed Assets
Fixed Assets have been stated at original cost including any attributable costs relating to acquisition and installation thereof and duties and taxes less modvat/cenvat credit and value added tax credit, if any, and less depreciation up to date.
Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets are recognised in the Statement of Profit and Loss.
- e) Depreciation
Depreciation on fixed assets has been provided on the basis of useful life and in the manner specified in Schedule - II to the Companies Act, 2013 as under:-
i. In respect of shoddy section: on written down value method basis
ii. In respect of lambs wool section : on straight line method basis
- f) Earnings Per Share
"Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.
"The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors."
- g) Impairment of Assets
The Company has considered all the external sources of information and internal sources of information indicating whether an individual asset or a cash-generating unit of the company has impaired. On the basis of those sources of information, no indication of a potential impairment loss is present, as such no formal estimate of recoverable amount has been made at the balance sheet date.
- h) Employee Benefits
i. Contribution to Provident Fund and ESI is made in accordance with the provisions of their respective acts and is recognised in the statement of profit & loss.
ii. Leave with Wages
Provision for leaves, if any, is made on the basis of leaves accrued to the employees during the year.

iii. Gratuity

Liability for gratuity is provided through a policy taken from Life Insurance Corporation of India (LIC) by a trust formed for the purpose. The liability is provided on the basis of actuarial valuation made by LIC as at the close of the year to cover the year's liability and such liability is charged to the profit and loss account.

i) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred. Amt. of borrowing cost which is capitalized is nil as their is no addition to qualifying assets during the year.

j) Accounting for Taxes on Income

Tax Expense comprise current and deferred tax. Provision for current tax is made in accordance with the provisions of Income Tax Act,1961. Deferred Tax resulting from timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty by convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

k) Provisions and Contingent Liabilities

Provisions are recognised for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

l) Accounting policies not specifically referred to are consistant with generally accepted accounting practices.

As per our report of even date.
FOR SUBHASH VIPAN & CO.
CHARTERED ACCOUNTANTS

Sd/-
(SUBHASH JAIN)
PARTNER

Sd/-
(TEJ PAUL OSWAL)
MANAGING DIRECTOR

For & on behalf of Board
OSWAL YARN LIMITED

Sd/-
(BHARATT OSWALL)
WHOLE-TIME DIRECTOR

Place : Ludhiana
Dated : 30.05.2015

OSWAL YARNS LIMITED

**CASH FLOW STATEMENT FOR THE PERIOD 1ST APRIL, 2014 TO 31ST MARCH, 2015
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

	(Amount in Rs.)	
	31st March, 2015	31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax Extraordinary Item	-39002	-1092992.00
Add: Adjustment for		
Depreciation	413216	1491365.00
Foreign Exchange Investments		
Interest/Dividend	1468196	1354936.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1842410	1753309.00
Adjustment for		
Trade & Other Receivable	-229302	-2322605.00
Inventories	-442703	+4613922.00
Trade Payable	+7476	-5620052.00
CASH GENERATED FORM OPERATION	1177881	-1575426.00
Interest Paid	-1468196	-1354936.00
Direct Tax Paid	-21198	-10742.00
Cash Flow before extraordinary Item	311513	-2941104.00
Extraordinary Item:		
Public Issue Expenses		
Recovery out of public issue expenses		
Net cash from Operating Activities	311513	-2941104.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	0.00	829947.00
Sale of fixed assets	0.00	0.00
Acquisitions of Companies(As per Accexure)		
Purchase of Investments		
Sale of Investments		
Interest Received	-	-
Dividend Received		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares		
Repayment long term borrowings	+6540343	+769357.00
Repayment of Finance Lease		
Short term loans	-6174439	+2838482.00
Dividend Paid		
Objective for raising the Capital:		
The Companys Capital during 1994-95 for implementation of Plant for the manufacture of lambs Wool/Angoora blended yarn		
Net Cash used in financing activities	+365904	+2777892.00
Net Increase in cash and cash equivalents	54391	-163212.00
Cash and Cash equivalents as at 1st April(Opening Balance)	193167	356379.00
Cash and Cash equivalents as at 31st March(Closing Balance)	247558	193167.00

For & on behalf of Board

Place : Ludhiana
Dated : 30.05.2015

Sd/-
(TEJ PAUL OSWAL)
MANAGING DIRECTOR

Sd/-
(BHARATT OSWALL)
WHOLE-TIME DIRECTOR

AUDITOR'S CERTIFICATE

We have verified the above cash flow statement of **Oswal Yarns Limited** derived from the audited annual financial statements for the year ended 31st March, 2015 and found the same to be drawn in accordance therewith.

For **SUBASH VIPAN & CO.**
Chartered Accountants

Place : Ludhiana
Dated : 30.05.2015

Sd/-
(SUBHASH JAIN)
PARTNER

OSWAL YARNS LIMITED

OSWAL YARNS LIMITED

Registered Office : Oswal House, Link Road, Industrial Area - 'A'. Ludhiana - 141 003.

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L17111PB1982PLC005006
 Name of the Company : Oswal Yarns Limited
 Regd. Office : Oswal House Link Road Industrial Area- A, Ludhiana-141003 (Punjab)
 Name of the Member(s) :
 Regd. Address :
 Email Id :
 Folio No./Client Id :
 DP Id :
 No. of Shares Held :

I/We, being the member(s) ofShares of the above named Company, hereby appoint:

- 1) Name : _____
 Address : _____
 Email : _____
 Signature : _____
 or failing him/her
- 2) Name : _____
 Address : _____
 Email : _____
 Signature : _____
 or failing him/her
- 3) Name : _____
 Address : _____
 Email : _____
 Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 30th September, 2015 at 10:30 A.M at Chick-FI Restaurant, Metro Road, Jamalpur Colony, Ludhiana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS(S):

- 1. Adoption of Audited Financial Statements for the financial year ending 31st March, 2015 and the report of Board of Directors' and Auditors' thereon.
- 2. Re-appointment of Sh. Surinder Kumar Garg (DIN: 01482096), who retires by rotation and being eligible, offers himself for re-appointment.
- 3. Ratify the appointment of M/s. Subash Vipan & Co., Chartered Accountants, (Firm Registration Number 012898N) as Statutory Auditors and fix their remuneration

SPECIAL BUSINESS:

- 4. Re-appointment of Mr. Bharatt Oswal (DIN: 00469332) as Whole-Time Director to be designated as Executive Director for the period of 5 years. (Special Resolution)
- 5. Appointment of Mrs. Mamta Jain (DIN: 02328913) as Director (Ordinary Resolution)

Signed this _____ day of _____, 2015



Signature of the Shareholder(s) _____ Signature of Proxyholder(s) _____

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2. This form should be signed as per specimen signature registered with RTA/ DP.

**ATTENDANCE SLIP
33rd ANNUAL GENERAL MEETING**

Time : Wednesday, 30th September, 2015 at 10:30 A.M
Place : Chick-FI Restaurant, Metro Road, Jamalpur Colony, Ludhiana-141010 (Pb.)

FULL NAME OF THE FIRST SHAREHOLDER _____

Joint Shareholders, if any _____

Father's/Husband's Name _____

Address in full _____

FULL NAME(S) OF THE PERSON ATTENDING THE MEETING AS A PROXY/SHAREHOLDER(S)

I/We hereby record my/our presence at the 33rd Annual General Meeting held on Wednesday, 30th September, 2015 at 10:30 A.M at Chick-FI Restaurant, Metro Road, Jamalpur Colony, Ludhiana-141010 (Pb.).

Folio No. / DP-Id : _____

Client-Id : _____

No. of Shares held: _____

Signature(s) : _____

Members may please note that the Auditorium Authorities do not permit carrying of bags/articles/snack packets etc. inside the meeting hall. The Company will not make any arrangements for safe keeping of articles etc. outside the Hall. Members may make their own arrangements which shall be solely at their risk and cost and the Company will in no way be responsible for any loss/theft of articles etc.

BOOK POST
(PRINTED MATTER)

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OSWAL YARNS LIMITED

Regd. Office : Oswal House, Link Road, Industrial Area - 'A',
LUDHIANA - 141 003 (Punjab)

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