



The Nahar Group

**30TH
ANNUAL REPORT
2013-14**



NAHAR INDUSTRIAL ENTERPRISES LIMITED



BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal, Chairman
Sh. Kamal Oswal, Vice Chairman-cum-Managing Director
Sh. Dinesh Oswal
Sh. Dinesh Gogna
Sh. Narayan Dass Jain
Dr. (Mrs) Harbhajan Kaur Bal
Prof. Kanwar Sain Maini
Dr. Yash Paul Sachdeva
Dr. Amrik Singh Sohi
Sh. Ajit Singh Chatha, IAS (Retd.)

PRESIDENT (CORPORATE FINANCE & ACCOUNTS)

Sh. Bharat Bhushan Gupta

COMPANY SECRETARY

Sh. Mukesh Sood

AUDITORS

M/s. Raj Gupta & Co., Chartered Accountants,
549/10, Sutlej Tower, Opp. Petrol Pump,
Near Fountain Chowk, Ludhiana-141001

BANKERS

State Bank of Patiala	Canara Bank
Punjab National Bank	Allahabad Bank
Punjab & Sind Bank	State Bank of India
Indian Overseas Bank	IDBI Bank Ltd.
Corporation Bank	

REGISTERED OFFICE

Focal Point, Ludhiana -141010

Website : www.ownahar.com

Ph. 0161-2672590, 2672591 **Fax.** 0161-2674072

CORPORATE IDENTITY NUMBER (CIN): L15143PB1983PLC018321

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Performance at a glance

(₹ in Lacs)

	2009-10	2010-11	2011-12	2012-13	2013-14
Gross sales/operating income	102,082.19	124,755.56	141,196.74	171,631.39	185,456.65
Exports	6,386.38	10,316.80	13,033.58	25,673.24	26,439.93
Net Profit	1,947.45	3,152.87	(8,075.56)	4,184.48	6,924.75
Cash Accruals	10,183.54	12,188.62	(2,479.14)	17,247.74	22,538.30
Gross Block including CWIP	137,462.47	147,039.21	165,084.74	173,708.08	183,786.80
Net Block including CWIP	65,722.58	68,219.32	78,992.57	77,881.62	76,945.85
Equity Share Capital	4,003.40	4,003.40	4,003.42	4,003.42	4,003.42
Net Worth	59,372.69	62,318.27	53,917.47	57,638.98	64,094.60
Capital Employed	110,572.97	120,430.33	120,314.26	128,666.43	131,569.45
Debt Equity Ratio	0.74	0.75	1.01	0.96	0.74
Current Ratio	1.70	1.35	1.25	1.31	1.32
Book Value per share (₹)	148.31	155.66	135.35	144.69	160.90
Earning per share (₹) [Basic]	4.82	7.80	(19.99)	10.50	17.38

The Journey

1983	Incorporated as Oswal Fats and Oils Ltd.
1994	Name changed as Nahar Industrial Enterprises Ltd.
1997	Merged Nahar Fabrics Ltd. (Manufacturer of greige fabrics)
2002	Merged Oswal Cotton Mills Ltd. (Manufacturer of Processed fabrics and finished garments).
2005	Merged Nahar International Ltd. (Manufacturer of yarn) and Nahar Sugar & Allied Industries Ltd. (Manufacturer of sugar).

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies. Your Company had joined the MCA in its environmental friendly initiative. The Company would send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e- mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at: -msood@owmnaahar.com or share@owmnaahar.com.

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



Notice

Notice is hereby given that the **30th Annual General Meeting** of the members of Nahar Industrial Enterprises Limited will be held on **Tuesday, the 30th day of September, 2014 at 2.00 P.M.** at the Registered Office of the company situated at Focal Point, Ludhiana (Punjab) – 141 010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the Financial year ended on 31st March, 2014 and the reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company for the financial year 2014-15 and fix their remuneration and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Raj Gupta & Co., Chartered Accountants, (Firm Registration No. 000203N), the retiring auditors be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company at such remuneration and other expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

6. **To appoint Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. (Mrs.) Harbhajan Kaur Bal (DIN: 00008576), a Non-executive Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received a notice in writing from a member proposing her candidature for the office of director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for three consecutive years for a term up to the conclusion of 33rd Annual General Meeting in the calendar year 2017."

7. **To appoint Prof. Kanwar Sain Maini (DIN: 00454686) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Prof. Kanwar Sain Maini (DIN: 00454686), a Non-executive Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for three consecutive years for a term up to the conclusion of 33rd Annual General Meeting in the calendar year 2017."

8. **To appoint Dr. Yash Paul Sachdeva (DIN: 02012337) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Yash Paul Sachdeva (DIN: 02012337), a Non-executive Director of the Company, whose period of



office is liable to determination by retirement of directors by rotation and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for three consecutive years for a term up to the conclusion of 33rd Annual General Meeting in the calendar year 2017.”

9. **To appoint Dr. Amrik Singh Sohi (DIN: 03575022) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Amrik Singh Sohi (DIN: 03575022), a Non-executive Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for three consecutive years for a term up to the conclusion of 33rd Annual General Meeting in the calendar year 2017.”

10. **To appoint Sh. Ajit Singh Chatha (DIN: 02289613) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sh. Ajit Singh Chatha (DIN: 02289613), a Non-executive Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for three consecutive years for a term up to

the conclusion of 33rd Annual General Meeting in the calendar year 2017.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Ramanath Iyer & Co., Cost Accountants, (Firm Registration No. 000019) who has been appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost accounting records of the Company for Sugar segment for the financial year ending 31st March, 2015, the company do hereby confirm and ratify the remuneration of Rs. 30,000/- (Rupees thirty thousand only) plus actual out-of-pocket expenses, as approved by the Audit committee.”

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

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293 (1)(d) of the Companies Act, 1956, at the 29th Annual General Meeting of the Company held on 30th September, 2013 and pursuant to Section 180 (1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the board of directors of the company and / or such other officers / committee to whom the board of directors may empower for borrowing from time to time any sum or sums of money which together with the money already borrowed by the company (apart from the temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserves that is to say reserves not set apart for any specific purpose, provided that the maximum amount of money borrowed shall not at any time exceed the limit of Rs. 2500 crores (Rupees two thousand five hundred crores only).”



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

"RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293 (1)(a) of the Companies Act, 1956, at the 29th Annual General Meeting of the Company held on 30th September, 2013 and pursuant to the provisions of Section 180 (1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgages, charges or hypothecations in addition to the mortgages, charges, and hypothecations already created by the company, as the board may deem fit with such ranking as may be agreed by the existing mortgages/charges holders on the whole or substantially the whole of the company's undertaking including present and / or future properties, whether moveable or immovable comprised in any undertaking of the company wheresoever situated as the case may be in favour of consortium of banks / banks / financial institutions / overseas institutions / foreign banks etc. for Rs. 2500 crores (Rupees two thousand five hundred crores only) together with interest thereon or any other charges or expenses of the aforesaid consortium of banks / banks / financial institutions / overseas institutions / foreign banks etc. in respect of various working capital facilities / rupee term loans / foreign currency loans / any other financial assistance etc. sanctioned by them."

"RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorized to finalize the method or manner of creating the aforesaid mortgage and / or charge and to do all such things as may be required for implementing this resolution."

By Order of the Board of Directors

Place: Ludhiana
Date: 11th August, 2014

Mukesh Sood
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
A person can act as a proxy on behalf of members not

exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed here to and forms part of the notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 20th September, 2014 to 30th September, 2014 (both days inclusive).
5. The documents referred to in the Explanatory Statement are open for inspection at the registered office of the Company on any working day (except Saturday and Holiday) between 10.00 a.m. to 12.00 Noon upto the date of Annual General Meeting.
6. Electronic copy of the Annual Report for the year 2013-14 is being sent to all the members whose Email Ids are registered with the Company/Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their Email address, physical copies of the Annual Report is being sent separately.
7. The information required to be provided under Clause 49 of the Listing Agreement entered into with the Stock exchanges, regarding the Directors who are proposed to be appointed / re-appointed is given hereunder and forms part of the notice.
8. Members holding equity shares in physical form are requested to notify the change of their address, if any, at the earliest to the Company's Share Department or Registrar & Transfer Agent (RTA). However, members holding equity shares in dematerialized form may notify the change in their address, if any, to their respective depository participants.
9. Members are informed to send all documents and communications pertaining to equity shares to M/s. Alankit Assignments Limited, RTA Division, Alankit House, 1E/13, Jhandewalan Extension, New Delhi-110 055, the Share Transfer Agent for both physical and demat segment of equity shares. Please quote on all correspondence – Unit: Nahar Industrial Enterprises Limited.
10. Members are hereby informed that dividends, which remain unclaimed / unpaid over a period of seven years, have to be transferred by the company to the



Investor Education & Protection Fund constituted by the Central Government under section 205(A) and 205(C) of the Companies Act, 1956. The unclaimed/unpaid amount of dividend for the financial year 2006-07 onwards will be transferred to the above mentioned fund from 4.10.2014 onwards as and when due.

11. Members seeking any information with regard to the accounts at the time of the meeting are requested to write to the Company at least 10 days before the date of the meeting so as to enable the management to keep the relevant information ready.
12. The Company provides the facility of Electronic Clearing Service (ECS) for payment of Dividend. The shareholders holding equity shares in physical form and who wish to avail ECS facility may intimate ECS mandate to the Company's Share Department / RTA immediately.
13. The members are requested to bring the copy of Annual Report along with them at the meeting.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 30th Annual General Meeting of the Company. For this purpose the Company has entered into an agreement with CDSL for facilitating E-voting to enable the shareholders to cast their votes electronically. E-voting is optional.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 22.09.2014 (9.00 a.m. onwards) and ends on 24.09.2014 (6.00 p.m.). During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.08.2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) 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.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio Number / Demat Account Number in the PAN field. In case the Folio Number is less than 8 digits, then enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and your Folio Number is 12345 then enter RA00012345 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. #Please enter any one the details i.e. DOB or Dividend Bank Details in order to login. In case either of the details is not recorded with the Company / Depository Participant, then enter <YOUR NUMBER OF SHARES> in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN-140826042** for the relevant NAHAR INDUSTRIAL ENTERPRISES LIMITED on which you choose to vote.



- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) 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 they have to create a compliance user 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.
- (xix) 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
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22.08.2014.
- III. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- IV. Mr. P.S.Bathla, Practising Company Secretary (Membership No. FCS-4391) C/o. M/s. P.S.Bathla & Associates (Certificate of Practice Number - 2585) has

been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

- V. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- VI. The ballot form is provided for the benefit of members who do not have access to e-voting facility.
- VII. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a member votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- VIII. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.
- IX. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.ownahar.com and on the website of CDSL with in two days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item Nos. 6 to 10

Dr. (Mrs) Harbhajan Kaur Bal and Prof. Kanwar Sain Maini have joined the Board of Directors on 30.6.2001 as independent directors. Dr. Yash Paul Sachdeva, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha have joined the Board of Directors on 31.7.2008, 12.8.2011 and 27.3.2013 respectively as independent directors. The period of office of these directors is liable to retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Pursuant to provisions of Clause 49 of Listing Agreement these directors were also holding the position as independent directors.

In compliance of the provisions of section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Nomination & Remuneration Committee has recommended the appointment of Dr. (Mrs.) Harbhajan



Kaur Bal, Prof. Kanwar Sain Maini, Dr. Yash Paul Sachdeva, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha as Independent Directors for three years commencing from this Annual General Meeting up to the conclusion of 33rd Annual General Meeting to be held in calendar year 2017. A notice has been received from a member proposing their candidature for the office of Independent Director. The said directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

Dr. (Mrs.) Harbhajan Kaur Bal, Prof. Kanwar Sain Maini, Dr. Yash Paul Sachdeva, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha, the non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149 of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Brief resume of Dr. (Mrs.) Harbhajan Kaur Bal, Prof. Kanwar Sain Maini, Dr. Yash Paul Sachdeva, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha, the appointee directors is as mentioned below:

Dr. (Mrs.) Harbhajan Kaur Bal

Dr. (Mrs.) Harbhajan Kaur Bal, aged 75 years, is a retired educationist having more than 32 years of experience as an academician and in general management. She is a Post Graduate and Phd.

Prof. Kanwar Sain Maini

Prof. Kanwar Sain Maini, aged 75 years, is a retired educationist having more than 33 years of experience in teaching, Management and Administration. He is Post Graduate in Commerce.

Dr. Yash Paul Sachdeva

Dr. Yash Paul Sachdeva, aged 52 years, is Head of Department of Business Management, Punjab Agricultural University, Ludhiana. He is M.B.A. and Ph.d and having more than 27 years of experience in teaching business management and administration.

Dr. Amrik Singh Sohi

Dr. Amrik Singh Sohi, aged 67 years, is a retired Sr. Entomologist (Professor) from Punjab Agricultural University, Ludhiana and having more than 36 years of

experience in the field of teaching and entomology research.

Sh. Ajit Singh Chatha

Sh. Ajit Singh Chatha, aged 78 years, is a retired IAS officer. He has worked as Chief Secretary to the Government of Punjab during his last tenure of service besides holding several different assignments and positions during his service. He is B.E. (Hons.) in Electrical Engineering.

Copy of the draft letters for respective appointments of Dr. (Mrs.) Harbhajan Kaur Bal, Prof. Kanwar Sain Maini, Dr. Yash Paul Sachdeva, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Dr. (Mrs.) Harbhajan Kaur Bal, Prof. Kanwar Sain Maini, Dr. Yash Paul Sachdeva, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha are interested in the resolutions set out respectively at Item Nos. 6 to 10 of the Notice with regard to their respective appointments.

The relatives of Dr. (Mrs.) Harbhajan Kaur Bal, Prof. Kanwar Sain Maini, Dr. Yash Paul Sachdeva, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha may be deemed to be interested in the resolutions set out respectively at Item Nos. 6 to 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 6 to 10 of the Notice for approval by the shareholders.

Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditor to conduct the audit of the cost accounting records of the Sugar segment of the Company for the financial year ending 31st March, 2015 at a remuneration as specified in the resolution.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014,



the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015. The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

Item No. 12 and 13

Pursuant to Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956 the members at their Annual General Meeting held on 30th September, 2013 had approved by ways of ordinary resolution (a) borrowings over and above the aggregate of paid-up share capital and free reserves of the company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 2500 crores (Rupees two

thousand five hundred crores only) pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956 and (b) To mortgage and /or create any charge on immovable and/or movable properties of the Company pursuant to the provisions of section 293(1)(a) of the Companies Act, 1956 in favor of consortium of banks/banks/financial institutions/overseas institutions/foreign banks etc. With the enactment of Companies Act, 2013 fresh approvals from the members of the Company are required under new sections 180(1)(c) and 180(1)(a) by way of Special resolution.

The board recommends the resolutions set out at Item Nos. 12 & 13 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolutions set out at Item Nos. 12 & 13 of the Notice.

By Order of the Board of Directors

Place: Ludhiana
Date: 11th August, 2014

Mukesh Sood
Company Secretary



Directors Report

Dear Members,

Your directors have pleasure in presenting their 30th Annual Report together with audited accounts for the financial year ended 31st March, 2014 and Auditors' Report thereon.

FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2014 is summarised below:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Profit before Tax	10,507.45	6,199.48
Less Tax Expense:		
i) Current Tax	2,220.70	751.50
ii) Deferred Tax	1,362.00	1,263.50
Profit for the year	6,924.75	4,184.48
Surplus/(deficit) in the statement of Profit & Loss		
Balance as per last Balance sheet	--	--
Add : Profit for the year	6,924.75	4,184.48
Add : Transfer from Contingent Liability Reserve	--	55.12
Less : Proposed Dividend on Equity shares	398.35	398.35
Less : Corporate Dividend Tax	70.78	64.62
Less : Transfer to General Reserve	6,455.62	3,776.63

PERFORMANCE REVIEW

The company operates in three main business segments viz. Yarn, Fabrics and Sugar. The textile division (comprises of yarn and fabrics) accounts for 95.43% of the total turnover (including inter-segment) of the company for the year ended 31st March, 2014. Sugar and others also accounts for 4.57% of the total turnover of the company for the year ended 31st March, 2014.

The business wise performance of each segment is as under:-

- **Yarn:** The Company has produced 70,595 MTs of yarn as against 67,960 MTs in the previous year. The total turnover of this segment (including inter-segment) has increased to Rs. 1,589.56 crores as against Rs. 1,428.06 crores in the previous year showing an increase of 11.31%.
- **Fabrics:** The Company has produced 72,877,934 meters of fabrics (both grey and processed) as against

74,431,448 meters in the previous year. The total turnover of this segment (including inter-segment) has increased to Rs. 1,060.25 crores as against Rs. 946.03 crores in the previous year showing an increase of 12.07%.

- **Sugar:** The Company has produced 412,720 Qtls. of sugar as against 402,040 Qtls. in the previous year. The total turnover of this segment is Rs. 126.01 crores as against Rs. 169.85 crores in the previous year showing a decrease of 25.81%.

During the year the company has achieved operational income of Rs. 1,854.57 crores as against Rs. 1,716.31 crores showing an increase of 8.06% over the previous year. The company has earned Profit before finance cost, Depreciation and tax of Rs. 331.26 crores as against Rs. 303.50 crores in the previous year. After providing for Finance Cost of Rs. 105.87 crores (previous year Rs. 131.03 crores), Depreciation of Rs.



120.31 crores (previous year Rs. 110.48 crores) and Tax Expenses of Rs. 35.83 crores (previous year Rs. 20.15 crores) the Profit for the year comes to Rs. 69.25 crores as against Rs. 41.84 crores in the previous year.

Indian textile industry has performed extremely well during the year under review. With growing demand, recovery in export markets, better realizations, stable cotton prices and better planning, your company has achieved satisfactory performance.

The overall textile market is depressed since April, 2014 and there is sluggish demand for textile products. Your management is hopeful that the company shall be able to meet the challenges ahead and further improve its performance in the coming periods.

DIVIDEND

The Board of Directors of your company has proposed dividend @ 10% (i.e. Re. 1/- per share) on the Paid-up Equity Share Capital of the Company for the Financial Year 2013-14. The dividend will be paid when declared by the shareholders in accordance with the requirements of law.

CREDIT RATING

The rating committee of ICRA Limited has given long term rating as [ICRA]BBB+ (pronounced ICRA triple B plus). The outlook on the long term rating is stable. The rating committee of ICRA has also given short term rating as [ICRA]A2+ (pronounced ICRA A two plus).

GREEN INITIATIVE

The members are informed that in accordance with Circulars issued by Ministry of Corporate Affairs, Government of India, the company proposes to send documents like notice of General Meetings, Audited Accounts, Directors Report, Auditors Report and other documents/communications to the members in electronic form by Email. Members holding shares in dematerialized form are requested to register/update their Email addresses with their depository participants. Members

holding shares in physical form are requested to register/update their Email address with the company by sending an Email at: msood@owmnahar.com or share@owmnahar.com

PUBLIC DEPOSITS

During the year the company has not accepted any deposit within the meaning of section 58-A of the Companies Act, 1956 and rules made there under.

DIRECTORS

In terms of the Articles of Association of the Company Sh. Dinesh Oswal (DIN:00607290) and Sh. Dinesh Gogna (DIN:00498670), Directors of the Company shall retire by rotation and being eligible offer themselves for re-appointment.

The Company is appointing all Independent Directors viz. Dr. (Mrs.) Harbhajan Kaur Bal (DIN:00008576), Prof. Kanwar Sain Maini (DIN:00454686), Dr. Yash Paul Sachdeva (DIN:02012337), Dr. Amrik Singh Sohi (DIN:03575022) and Sh. Ajit Singh Chatha (DIN:02289613) for a period of 3 (three) years. The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence as prescribed both under Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

AUDIT COMMITTEE

The company has constituted an Audit Committee pursuant to the provisions of the Companies Act, 1956 and clause 49 of the Listing Agreement. Presently the Audit Committee consists of Sh. Dinesh Gogna and Dr. (Mrs) Harbhajan Kaur Bal as members and Prof. Kanwar Sain Maini is the Chairman of the committee. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement it is hereby confirmed:

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That 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 profits/losses of the Company for that period.
- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the directors had prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s. Raj Gupta & Co., Chartered Accountants, Auditors of the company shall retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. As required under the provisions of Section 139 of the Companies Act, 2013 the Company has obtained confirmation from the auditors that their appointment, if made, would be in conformity with the limits specified in the said section. The auditors report on the accounts of the company is self-explanatory and requires no comments.

COST AUDITORS

M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi has been appointed as Cost Auditor for Sugar segment for the year 2014-15 and their reports will be submitted to Government of India, Ministry of Corporate Affairs, Cost

Audit Branch in accordance with the requirements of law.

LISTING

The equity shares of the company are listed on BSE Ltd. and National Stock Exchange of India Ltd. The company has already paid listing fee for the financial year 2014-15 to both Stock Exchanges.

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

The information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings & outgo is given in **Annexure-I** to this report.

PARTICULARS OF EMPLOYEES

None of the employees of the company is covered under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE REPORT

Your Company continues to follow the principles of good corporate governance. The corporate governance report along with auditor's certificate regarding compliance of the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement with the stock exchanges is attached herewith as **Annexure-II** to this report.

INDUSTRIAL RELATIONS

Industrial relations throughout the year continued to be very cordial and satisfactory.

ACKNOWLEDGMENT

Your directors would like to express their appreciation for the assistance and co-operation received from financial institutions, banks and shareholders. They also place on record their appreciation for the co-operation of employees at all levels.

For and on behalf of the Board of Directors

**Place: Ludhiana
Date: 11th August, 2014**

**Jawahar Lal Oswal
Chairman**



ANNEXURE - I TO DIRECTORS' REPORT

Information as per section 217(l)(e) read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

1. CONSERVATION OF ENERGY:

The Company has taken several steps to conserve energy. This is a key area lot of study, analysis and discussions are undertaken regularly for improvement

a) Measures taken for conservation of energy:

- i) Use of high efficiency motors and energy saving devices.
- ii) Technical up-gradation and modernization of various machines.
- iii) Organized training programmes on different aspect of energy conservation.
- iv) Company has installed Biomass/multifuel Co-generation power plant at Lalru & Amloh, Punjab which enable the company to produce electricity at lower rate.
- v) Re-arrangement of distribution system to avoid system load.

b) Impact of measures consequent to (a) above: The above mentioned measures have resulted in energy saving and subsequent reduction in energy cost and thereby reduction in cost of production.

c) Total energy consumption and energy consumption per unit of production is given below in Form A.

FORM A

Form for disclosure of particulars with respect to conservation of energy.

A) POWER & FUEL CONSUMPTION:

	CURRENT YEAR	PREVIOUS YEAR
1. Electricity		
a) Purchased (Units KWH)	163,062,195	194,902,350
Total amount (₹ in '000)	1,005,288	1,124,566
Rate per unit (₹)	6.17	5.77
b) Own generation		
i) Through Diesel generation		
Units produced (KWH)	26,295	711,637
Total amount (₹ in '000)	381	7,270
Rate per unit (₹)	14.49	10.22
ii) Through Steam Turbine		
Units produced (KWH)	200,051,806	144,191,600
2. a) Coal		
Quantity (Kgs.)	132,439,313	89,647,419
Total amount (₹ in '000)	810,854	508,585
Rate per unit (₹)	6.12	5.67
b) Rice Husk/others		
Quantity (Kgs.)	85,353,274	116,578,321
Total amount (₹ in '000)	472,149	503,096
Rate per unit (₹)	5.53	4.32
c) Furnace Oil/HSD/others		
Quantity (Ltrs.)	75,319	96,620
Total amount (₹ in '000)	3,254	2,570
Rate per unit (₹)	43.19	26.60

d) Fire wood/Others

Quantity (Kgs.)	1,269,042	2,894,992
Total amount (₹ in '000)	5,051	9,791
Rate per unit (₹)	3.98	3.38
Total (₹ in '000)	2,296,977	2,155,878

B) CONSUMPTION PER UNIT OF PRODUCTION:

Electricity

Yarn (per Kgs.)	3.81	3.70
Fabrics (per Mtrs.)	1.01	1.07
Sugar (per Qtls.)	49.87	43.90

2. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are given below in Form B.

FORM B

Form for disclosure of particulars with respect to Technology Absorption and Research & Development (R & D).

A RESEARCH & DEVELOPMENT (R & D) :

i) Specific Areas in which (R & D) was carried out:

The Company's R&D Laboratories at works continuously monitors and controls the quality of products and processes.

ii) Benefits derived as result of the above R&D:

The Company has been able to identify factors which with some adjustments can improve efficiency of machines.

iii) Future Plans:

The Company plans to further strength the R&D efforts by adding latest facilities & expert manpower.

(₹ In Lacs)

Current Year Previous Year

iv) Expenditure on R & D

a) Capital	272.64	14.42
b) Recurring	44.17	41.90
Total	316.81	56.32

B TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

i) Efforts, in brief made, towards Technology Absorption, Adoption and Innovation:

All efforts being made to adopt the technology. The Company has a team of well qualified and experienced Engineers who are committed to absorbing and adapting latest technology.

ii) Benefit derived as a result of above efforts:

Due to adoption of latest technology there has been improvement in quality.

iii) Information regarding technology imported during the last five years: Nil

3 FOREIGN EXCHANGE EARNING & OUTGO :

- a) Export have continued to be a major thrust area for the company. New Markets are being explored. The company exported cotton yarn and fabrics to various countries like Hongkong, USA, Cambodia, Mauritius, Bangladesh, Egypt, China, Srilanka, Portugal, Indonesia, Austria, France etc.
- b) Total Foreign Exchange Earnings & Outgo :

	Current Year	Previous Year
Earnings	23,961.07	25,065.26
Outgo	4,000.83	3,183.81

(₹ In Lacs)



ANNEXURE -II TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

A. Company's Philosophy on Corporate Governance

It is Nahar Industrial Enterprises Ltd.'s (NIEL) firm belief that good corporate governance provides a basis by which the rights and responsibilities amongst different participants in the organization are transparently known. It helps to ensure that the Company's objectives are well defined and performance against those objectives are adequately measured and monitored. Your company is committed to conduct business in accordance with the highest ethical standards and sound corporate governance practices. In compliance with the requirements of corporate governance NIEL continue to follow procedures and practices in conformity with Clause 49.

B. Board of Directors

1. As on 31st March, 2014 the Board of the Company consisted of ten directors. The Board at NIEL has an optimum combination of Executive, Non-Executive and Independent Directors. Sh Jawahar Lal Oswal is non-executive chairman and the composition of the Board is in conformity with clause 49 of Listing Agreement.
2. The Board met 4 (four) times during the period April, 2013 to March, 2014 on – 30.05.2013, 10.08.2013, 11.11.2013 & 14.02.2014 with a clearly defined agenda. The maximum time gap between any two board meetings was less than four months.

3. Information relating to directors:

The details relating to composition and categories of directors on the Board, their attendance at the Board Meeting during the year and at the last Annual General Meeting, Number of Directorship, Committee Membership and Chairmanship/Chairpersonship held by them in other public limited companies incorporated in India, as on 31.03.2014 are presented below:

Name of Directors	Designation	Category	Attendance Particulars			Directorship held in other Public Ltd. Companies/ Committee Membership and Chairmanship/ Chairpersonship		
			No. of Board Meetings		Last AGM	Directorship	Committee Membership	Committee Chairmanship/ Chairpersonship
			Held	Attended				
Sh. Jawahar Lal Oswal	Chairman	Promoter Non Executive Director	4	2	No	14	--	--
Sh. Kamal Oswal	Vice Chairman cum Mg. Director	Promoter Executive Director	4	4	Yes	13	2	1
Sh. Dinesh Oswal	Director	Promoter Non Executive Director	4	4	Yes	13	--	--
Sh. Dinesh Gogna	Director	Non Executive Director	4	4	Yes	8	7	2
Sh. N D Jain	Director	Non Executive Director	4	3	No	2	--	--
Dr. (Mrs.) H K Bal	Director	Independent Director	4	3	No	5	8	2
Prof. K S Maini	Director	Independent Director	4	4	Yes	4	3	6
Dr. Y P Sachdeva	Director	Independent Director	4	4	Yes	6	6	1
Dr. A.S.Sohi	Director	Independent Director	4	3	No	3	3	1
Sh. Ajit Singh Chatha	Director	Independent Director	4	4	No	5	1	--

**4. Shareholding of Non Executive/Independent Directors**

Sr. No.	Name of the Directors	No. of Shares held
1.	Sh. Dinesh Oswal	30
2.	Sh. Dinesh Gogna	105
3.	Sh. ND Jain	185

5. Remuneration to Directors:

The details of remuneration paid to the Directors for the financial year 2013-14 are given below:

Name of the Directors'	Sitting Fee (₹)	Salary Allowance & Perquisites (₹)	Performance Incentive	Commission (₹)	Total (₹)
Sh. Jawahar Lal Oswal	10,000/-	Nil	Nil	Nil	10,000/-
Sh. Kamal Oswal	Nil	26,88,000/-	Nil	Nil	26,88,000/-
Sh. Dinesh Oswal	20,000/-	Nil	Nil	Nil	20,000/-
Sh. Dinesh Gogna	20,000/-	Nil	Nil	Nil	20,000/-
Sh. ND Jain	15,000/-	Nil	Nil	Nil	15,000/-
Dr. (Mrs.) HK Bal	15,000/-	Nil	Nil	Nil	15,000/-
Prof. K S Maini	20,000/-	Nil	Nil	Nil	20,000/-
Dr. Yash Paul Sachdeva	20,000/-	Nil	Nil	Nil	20,000/-
Dr. Amrik Singh Sohi	15,000/-	Nil	Nil	Nil	15,000/-
Sh. A.S. Chatha	20,000/-	Nil	Nil	Nil	20,000/-

The Non executive directors are paid sitting fees for attending the Board Meetings. The remuneration paid to Managing Director is as approved by the Remuneration Committee, Board of Directors and Shareholders.

6. Directors with Materially significant pecuniary relationship or business transaction with the Company

Sh. Kamal Oswal, Managing Director who is also the Managing Director of Oswal Woollen Mills Ltd. receive salary, allowances, perquisites and commission, while all non executive directors receive sitting fee for attending the Board Meeting. There has been no materially pecuniary relationship or transaction between the Company and its Directors in the financial year under review.

7. Information to the Board

The Board has complete access to all information with the Company. The agenda papers are presented to the Board or directly tabled at the Board Meeting to facilitate meaningful deliberation on issues concerning the Company.

8. Code of Conduct

NIEL's Board has laid down a code of conduct for all board members and senior management of the Company. All Board members and designated senior management personnel affirm compliance with this code of conduct. The code of conduct is displayed on the website of the Company i.e. www.owmnahar.com. A declaration to this effect signed by Sh. Kamal Oswal, Vice Chairman-cum-Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management an affirmation that they have complied with the Code of Conduct in Financial Year 2013-14.

Place : Ludhiana
Dated : 11th August, 2014

Kamal Oswal
Vice Chairman cum Managing Director



C. Board Level Committees

NIEL has three Board Committees – Audit Committee, Nomination and Remuneration Committee and Stakeholder’s Relationship Committee. Details regarding role and composition of the Board Committees, including the number of meetings held during the financial year 2013-14 and attendance of the members thereat are provided below:

i) Audit Committee

An Audit Committee of Directors was constituted to exercise its powers and discharge functions as stipulated in Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. The committee consisted of three non executive Directors namely Sh. Dinesh Gogna, Prof. K S Maini & Dr. (Mrs.) H K Bal. Prof. K S Maini, an Independent non executive director is the Chairman of the Committee. The President (Corporate Finance & Accounts) and Auditors are invitees to the committee. Mr. Mukesh Sood, Company Secretary acts as Secretary to the Audit Committee. The Committee met 4 (four) times during the period April 2013 to March, 2014 i.e. 30.05.2013, 10.08.2013, 11.11.2013 & 14.02.2014 and the attendance of each member is as under:

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Sh. Dinesh Gogna	Member	4	4
Prof. K S Maini	Chairman	4	4
Dr. (Mrs.) H K Bal	Member	4	4

ii) Nomination and Remuneration Committee

Pursuant to the provisions of the Companies Act, 2013, the Committee shall perform its functions as defined under the provisions to the Companies Act, 2013. The name of Remuneration Committee has been changed to Nomination and Remuneration Committee. It deals with remuneration package of directors. It recommends to the Board the compensation terms of executive directors. The Committee consisted of three independent non executive directors namely Prof. K S Maini as Chairman, Dr. Y.P. Sachdeva and Dr. (Mrs.) H K Bal as members. The Committee met on 10.08.2013 in the Financial year 2013-14 and all the members were present in the meeting.

iii) Stakeholder’s Relationship Committee

Pursuant to the provisions of the Companies Act, 2013, the Committee shall perform its functions as defined under the provisions to the Companies Act, 2013. The name of Shareholder’s Grievance Committee has been changed to Stakeholder’s Relationship Committee. The Committee reviews redressal of shareholders and investors complaints like non receipt of dividend on shares, non receipt of shares whether in demat or physical form, non receipt of annual report etc., besides complaints received from SEBI, Stock Exchanges, Court and various investor forums. The Committee also oversees the performance of Registrar and Transfer Agent. The Committee also oversees transfer/ transmission/transposition of share and also deals with issue of duplicate share certificate etc . The Stakeholder’s Relationship Committee consisted of directors namely Sh. Kamal Oswal, Sh. Dinesh Gogna, Prof. K S Maini and Dr. Y P Sachdeva. Mr. Mukesh Sood, Company Secretary is the compliance officer of the Company. The Committee met 4 (four) times during the period April 2013 to March, 2014 i.e. 30.05.2013, 10.08.2013, 11.11.2013 & 14.02.2014 in the financial year 2013-14 and the attendance of each member is as under:

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Sh. Kamal Oswal	Member	4	4
Sh. Dinesh Gogna	Chairman	4	4
Prof. K S Maini	Member	4	4
Dr. Y P Sachdeva	Member	4	4

Status of Shareholder’s queries/grievance

Nature of Complaints	Pending at the beginning of the year	Received and redressed during the year	Pending at the end of the year
Non Receipt of Dividend on shares	Nil	19	Nil
Non Receipt of Shares whether in demat or physical form	Nil	75	Nil
Non Receipt of Annual Reports etc.	Nil	8	Nil
Total		102	

**D. Management****i) Management discussion and analysis report**

This annual report has a detailed chapter on Management Discussion and Analysis.

ii) Disclosure by Management to the Board

There was no materially significant transactions with management, their relatives that have any potential conflict with the interest of the Company at large.

E. Disclosures**i) Details of related party transactions**

As required by the accounting standard AS-18 the details of related party transactions are given in Note No. 35 of the Notes to Financial statements.

ii) Disclosure of accounting treatment in preparation of financial statements

The Company has followed the guidelines of accounting standards laid down by the Institutes of Chartered Accountants of India (ICAI) in preparation of its Financial statements.

iii) Risk Management

The Company manages risks as an integral part of its decision making process and has a structured framework for risk assessment and minimization procedures.

iv) Details of non compliance by the Company

NIEL has complied with all the mandatory requirements of the Corporate Governance. No penalties/stricture was imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

v) Compliance with clause 49

The Company is fully compliant with the applicable mandatory requirements of clause 49 of the Listing Agreement. The Company may also take up the non mandatory requirements of clause 49 in due course of time.

F. Shareholders**Details of the Directors seeking appointment/re-appointment at the 30th Annual General Meeting****1. Sh. Dinesh Oswal**

Sh. Dinesh Oswal, aged 49, is an industrialist with 29 years business experience. He is Managing Director of Nahar Spinning Mills Limited and Nahar Capital & Financial Services Ltd and Director in Oswal Woollen Mills Limited, Nahar Industrial Enterprises Limited, Nahar Poly Films Limited, Nahar Industrial Infrastructure Corp. Ltd., Palm Motels Ltd., Vardhman Investments Ltd., Vanaik Investors Ltd., J L Growth Fund Ltd., Atam Vallabh Financiers Ltd., Sankheshwar Holding Co. Ltd., Cotton County Retail Ltd., Crown Star Ltd. (UK), Abhilash Growth Fund Pvt. Ltd.

2. Sh. Dinesh Gogna

Sh. Dinesh Gogna, aged 61 years, is a Director of the Company having more than 36 years of experience in Corporate Finance and Taxation. He is Executive Director of Oswal Woollen Mills Limited and Director in Nahar Industrial Enterprises Limited, Nahar Spinning Mills Ltd., Nahar Poly Films Ltd., Nahar Capital & Financial Services Ltd., Oswal Leasing Limited, Girnar Investment Ltd., Monte Carlo Fashion Limited, Cotton County Retail Ltd. and Crown Star Ltd. (UK). He is member of Audit Committee of Oswal Woollen Mills Ltd., Nahar Industrial Enterprises Limited, Nahar Spinning Mills Ltd., Nahar Poly Films Ltd., Monte Carlo Fashions Ltd. He is also the member of Nomination & Remuneration Committee of Monte Carlo Fashions Limited and Cotton County Retail Limited. He is chairman of Stakeholder's Relationship Committee of Nahar Industrial Enterprises Ltd and Monte Carlo Fashion Limited.

3. Dr. (Mrs.) Harbhajan Kaur Bal

Dr. (Mrs.) Harbhajan Kaur Bal, aged 75 years, is a retired educationist having more than 32 years of experience as an academician and in general management. She is director in Nahar Industrial Enterprises Limited, Oswal Woollen Mills Limited, Nahar Spinning Mills Limited, Nahar Poly Films Limited, Nahar Capital & Financial Services Limited & Sportking India Limited. She is also a member of Audit Committee of Nahar Industrial Enterprises Limited and Sportking India Limited, Member of Nomination & Remuneration Committee of Nahar Industrial Enterprises Limited, Nahar Spinning Mills Limited, Nahar Poly Films Limited, Nahar Capital & Financial Services Limited, Oswal Woollen Mills Ltd. and Sportking India Limited and Chairperson of Stakeholders Relationship Committee of Nahar Spinning Mills Limited and Nahar Poly Films Limited.

4. Prof. Kanwar Sain Maini

Prof. Kanwar Sain Maini, aged 75 years, is a retired educationist having more than 31 years of experience in teaching Commerce, Management and Administration. He is director in Nahar Industrial Enterprises Limited, Oswal Woollen Mills Limited, Nahar Spinning Mills Limited, Nahar Poly Films Limited & Nahar Capital & Financial Services Limited. He is also the Chairman of Nomination & Remuneration Committee of Nahar Industrial Enterprises Limited, Nahar Capital & Financial Services Limited, Chairman of Audit Committee of Nahar Industrial Enterprises Limited, Nahar



Capital & Financial Services Limited and Nahar Spinning Mills Limited besides member of Audit Committee in Oswal Woollen Mills Limited and Nahar Poly Films Limited and Member of Stakeholders Relationship Committee of Nahar Industrial Enterprises Limited and Chairman of Shareholders committee of Oswal Woollen Mills Ltd.

5. Dr. Yash Paul Sachdeva

Dr. Yash Paul Sachdeva, aged 52 years, is Head of Department of Business Management, Punjab Agricultural University, Ludhiana. He is director in Nahar Spinning Mills Limited, Nahar Poly Films Limited, Nahar Industrial Enterprises Limited, Cotton County Retail Limited, Nahar Capital & Financial Services Limited, Oswal Spinning Mills Limited & Monte Carlo Fashion Limited. He is also the Member of Audit Committee of Cotton County Retail Limited and Monte Carlo Fashion Limited, Member of Stakeholders Relationship Committee of Nahar Industrial Enterprises Limited and chairman of Monte Carlo Fashion Limited. He is member of Nomination & Remuneration Committee of Monte Carlo Fashion Limited, Nahar Industrial Enterprises Limited and Oswal Spinning & Weaving Mills Limited.

6. Dr. Amrik Singh Sohi

Dr. Amrik Singh Sohi, aged 67 years, is a retired Sr. Entomologist (Professor) from Punjab Agricultural University, Ludhiana and having more than 36 years of experience in the field of teaching and entomology research. He is director in Nahar Industrial Enterprises Limited, Nahar Poly Films Limited, Nahar Spinning Mills Limited & Nahar Capital & Financial Services Limited. He is also the Chairman of Stakeholders Relationship Committee of Nahar Capital & Financial Services Limited, Member of Stakeholders Relationship Committee of Nahar Poly Films Limited and Nahar Spinning Mills Limited, Member of Nomination & Remuneration Committee of Nahar Spinning Mills Limited and Nahar Poly Films Ltd.

7. Sh. Ajit Singh Chatha

Sh. Ajit Singh Chatha, aged 78 years, is a retired IAS officer. He has worked as Chief Secretary to the Government of Punjab during his last tenure of service besides holding several different assignments and positions during his service. He is director in Steel Strips Wheels Limited, Indian Acrylic Limited, Nahar Industrial Enterprises Limited, Cotton County Retail Limited, Monte Carlo Fashions Limited, Worldwide Immigration Consultancy Services Limited and J. Kumar Infraprojects Limited. He is also the Member of Audit Committee of Cotton County Retail Limited.

G. Means of Communication

The Company's quarterly results are approved and taken on record by the Board within the prescribed time and sent immediately to BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). These results are published in leading newspapers i.e. Business Standard and Desh Sewak (Punjabi). These results are also posted on the Company's website at: www.owmnahar.com.

H. Website

Website address of the company is www.owmnahar.com. Relevant information under Clause 54 of the Listing Agreement is regularly updated on our website.

I. General Body Meetings

The details of the last three Annual General Meetings are as under:

Financial Year	Location	Date	Time	No. of Special Resolutions
2010-11	Registered Office	20.09.2011	11.30 A.M.	--
2011-12	Registered Office	29.09.2012	11.45 A.M.	1
2012-13	Registered Office	30.09.2013	11.45 A.M.	1

J. General Shareholder Information

1. Annual General Meeting
Day, Date, Time and Venue

Tuesday, 30th day of September, 2014 at 2.00 P.M.
at the Registered Office at Focal Point, Ludhiana -
141010 (Punjab)



2. Financial Year April to March
 Financial Results for the financial year 2014-15 will be announced tentatively in July-August, 2014
 October-November, 2014
 January-February, 2015
 April-May, 2015
3. Book Closure First Quarter Results
 Second Quarter Results
 Third Quarter Results
 Fourth quarter & Annual audited results
 20th September, 2014 to 30th September, 2014 (both days inclusive).
4. Dividend The Board of Directors has recommended dividend @ 10% i.e. ₹1/- per equity share.
 Unclaimed/Unpaid Dividend The Company had paid dividend @ 10% on equity shares of the Company for the financial year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 & 2012-13. Members who have not claimed the dividend for the aforesaid period may approach to the Share Department of the Company.
 Unpaid/unclaimed dividend for 2006-07 is due to transfer to the Investor Education and Protection Fund after the expiry of seven years i.e. 03.10.2014.
5. Listing on Stock Exchange The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).
6. Stock Code BSE – 519136, NSE – NAHARINDUS
 ISIN- INE289A01011

7. Distribution of Shareholding as on 31.03.2014

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate Shares held	% of Shareholding
1-500	83478	98.20	5288369	13.28
501-1000	926	1.09	662145	1.66
1001-2000	302	0.36	444073	1.11
2001-3000	113	0.13	279089	0.70
3001-4000	34	0.04	120466	0.30
4001-5000	18	0.02	84542	0.21
5001-10000	54	0.06	381283	0.96
10001 & above	89	0.10	32575174	81.78
Total	85014	100.00	39835141	100.00

8. Shareholding Pattern as on 31.03.2014

Shares held by	No. of Shares	% of shareholding
Promoters	26936884	67.62
Mutual Funds & UTI	18552	0.05
Bank & Financial Institutions	8635	0.02
Foreign Holding (FII's, NRIs, OCBs)	313048	0.79
Private Bodies Corporate (Others)	546174	1.37
Indian Public	12011848	30.15
Total	39835141	100.00

9. Dematerialisation of Shares

As on 31.03.2014, 90.85% of equity share capital is held in dematerialized form under ISIN-INE289A01011.



10. Outstanding GDRs/ADRs/Warrants/Options or any other convertible instruments

The Company has not issued any GDRs/ADRs/Warrants during the year.

11. Stock Market Data :

Month	NSE		BSE	
	High	Low	High	Low
April-2013	37.70	28.15	38.75	30.10
May-2013	36.50	27.00	37.50	29.25
June-2013	41.50	35.00	46.90	34.70
July-2013	40.00	37.00	40.00	37.25
August-2013	40.55	35.10	41.00	34.25
Sept. - 2013	46.95	39.65	46.90	39.50
October-2013	54.00	46.00	54.90	45.05
November-2013	58.05	46.50	59.00	51.10
December-2013	62.00	50.60	58.00	51.90
January-2014	60.00	47.70	59.10	51.00
February-2014	63.05	50.05	61.90	50.00
March-2014	61.95	51.00	61.00	50.25

Source: The aforesaid information has been downloaded from the websites of NSE and BSE. The Company has no other source for verification of data.

12. Investor Correspondence

Investor correspondence should be addressed to:

Registrar & Share Transfer Agent (RTA)

Alankit Assignments Ltd.
Alankit House, 1E/13, Jhandewalan Extension,
New Delhi 110055
Phone: 011-42541234, Fax No.: 011-42541201, 23552001
E-mail: rta@alankit.com

Company Secretary

Nahar Industrial Enterprises Ltd.
Regd. Office: Focal Point, Ludhiana - 141010
Phone : 0161-2672590-591
Fax No.: 0161-2674072
Email : msood@ownahar.com

13. Share Transfer System

Share Transfers are registered and returned within prescribed period if the documents are complete in all respects. Officers of the Company and Share Transfer Agent have been authorized to attend share transfers regularly. The Share Transfer Committee meets regularly to approve the transfer/transmission/transposition/issue of duplicate share certificates etc.

14. Plant Locations

- i) Nahar Industrial Enterprises Ltd. (Unit: Arham Spinning Mills) Vill. Udaipur/Khijuriwas, Bhiwadi, Dist. Alwar (Rajasthan)
- ii) Nahar Industrial Enterprises Ltd. (Spinning Unit) Vill. Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Mohali (Punjab).
- iii) Nahar Industrial Enterprises Ltd. (Spinning Unit- II) Vill. Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Mohali (Punjab)
- iv) Nahar Industrial Enterprises Ltd. (Spinning Unit-III) Vill Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Mohali (Punjab)
- v) Nahar Industrial Enterprises Ltd. (Spinning Unit-IV) Vill Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Mohali (Punjab)
- vi) Nahar Industrial Enterprises Ltd. (Unit: Sambhav Spinning Mills) Industrial Focal Point, Phase VIII, Mundian Kalan, Distt. Ludhiana (Punjab)
- vii) Nahar Industrial Enterprises Ltd. (Fabrics Unit) Village Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Mohali (Punjab)
- viii) Nahar Industrial Enterprises Ltd. (New Process & Dyeing) Village Jalalpur, Chandigarh-Ambala Road, Lalru, Dist. Mohali (Punjab)
- ix) Nahar Industrial Enterprises Ltd. (Unit: Nahar Sugar) Village Salana Jeon Singh Wala, Tehsil Amluh, Distt. Fatehgarh Sahib (Punjab)



**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE
LISTING AGREEMENT**

To,

**The Members of
Nahar Industrial Enterprises Limited**

We have examined the compliance of conditions of Corporate Governance by Nahar Industrial Enterprises Limited for the year ended on 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the above Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor's Grievance Committee.

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

For Raj Gupta & Co.,
Chartered Accountants
FRN: 000203N

Place : Ludhiana
Dated : 11th August, 2014

R K Gupta
Partner
M. No. 017039



Management discussion and Analysis Report 2014

Industry Structure/Development (Textile)

The Indian textile and apparel industry is one of the leading industries of the Indian economy. The growth and all round development of this industry has a direct bearing on the improvement of Indian economy. The textile and apparel industry plays an important role through its contribution to industrial output, employment generation and the export earnings of the country. Post Multi Fiber Agreement on January 1, 2005, the textile and apparel industry has witnessed a clear distinction between countries as production and consumption hubs. Developed countries like the USA, countries of the European Union and Japan have emerged as consuming countries while developing countries like India, China and Bangladesh are producing countries. For the development and to boost the textile and apparel industry, the Indian Government has been supporting the textile industry through various policies incentives from time to time. In the Union Budget 2014-15, the Central Government has allocated Rs. 2300 crore for TUFs and Rs. 240 crore towards integrated textile parks which will help the textile industry to grow at a faster pace. Overall, textile and apparel industry contributes 4% to India GDP.

In FY 2013-14 there was a weak recovery in the economy of the USA and European Union. The emerging economies like China and India has also witnessed a general economic slowdown. As per the data made available by the Central Statistical Organization (CSO), India's GDP growth in 2013-14 is 4.7%. The manufacturing indices had declined, commodity prices stayed at high levels. The high borrowing cost to combat inflation, low investment in infrastructure and other sectors were responsible for this lower growth. However, the slow GDP growth appears to have bottomed out and post general elections, economic

activity is expected to pick up. According to the Technopak Report, 2014 the expected slower annual GDP growth in the advanced economies is directly impacting the consumption of textile and apparel products, hence reducing its demand. On the other hand, the expected higher GDP growth of the developing countries has led to an increase in purchasing power of consumers, favoring the growth in textile and apparel consumption in these countries.

Indian textile industry has performed extremely well during the year under review. The strong performance across different segments of the industry is evident from the strong domestic production as well as exports. It is expected that same trend will continue as Chinese exports are slowing down on account of various factors which include increase in domestic demand and rising input costs. China is losing its strength as low cost manufacturing country, which will help India to become a textile power house. As a measure of growing interest in the Indian textiles and apparel industry, number of reputed houses has opened their sourcing / liaison office in India. According to Technopak Report, 2014, India's textile and apparel industry is expected to grow at a CAGR of 9% from the market size of US \$ 95 billion in 2013 to reach a market size of US \$ 226 billion by the end of 2023. This is an indicator for the growth of Indian textile and apparel industry to increase its share in the global market.

Management perception of Risk/concern/threat

Despite many natural advantages that the Indian textile Industry has, fundamental issues like inadequate/



uninterrupted power, shortage of skilled manpower and finance at low interest cost are hindering the progress of the textile industry. Rupee depreciation has improved the competitiveness of Indian exporters in global textile trade mainly over China, Bangladesh and Vietnam. Sri Lanka is emerging as a competitor with an edge in currency competitiveness. Rupee depreciated the most during June to September 2013 against the currencies of these countries, although it has stabilized post October 2013. Though rupee depreciation against US dollar provided a favorable opportunity for the Indian exporters in short term but this situation is not likely to continue in future. To combat the inflationary conditions prevailing in the economy, higher Interest rate regime is continue by RBI. Higher cost of funds may impact the financial performance of the industry, as the Textile the industry is a capital intensive industry. China has recently declared that it would end the cotton stockpiling policy in FY 2015 and support its farmers by way of subsidies. China may release the huge stocks of cotton which could lead to crash in cotton prices, depending upon how and when they release those stocks in the market.

The management of the company is making all efforts to meet the prevailing/concern by focusing its efforts on improving operational parameters and effective raw material procurement and marketing strategies to reduce the cost pressure. The Company keeps reviewing its strategy in the light of changes.

Outlook

The US market and EU region account for the bulk of textile exports from India. Economic recession in these markets since 2008 have impacted the textile exports from India. To reduce the dependence on these markets the government has incorporated several measures in the Focus Market Scheme. Continued government schemes in the form of policies like Focus Market Scheme would encourage

exporters to explore markets outside the traditional destinations of the US and EU. Though the textile industry is depressed since April 2014 but it is hoped that it would improve in the coming periods. According to Technopak Report, 2014 the export market of textile and apparel would grow from US \$ 36 billion in the year 2013 to US \$ 85 billion by the end of 2023. It is expected that domestic market would also grow from US \$ 59 billion in 2013 to US \$ 141 billion by the end of 2023. India's growing population has been a key driver of textile consumption growth in the country. Changing lifestyle, rising income and growing spending capacities, increasing urbanization, rising middle class and increasing demand for quality products are also set to increase the demand for apparel. With the expected revival in the global economy and hope for the improving business environment in the country, the outlook for the Indian textile industry is expected to be bright. Supportive policy regime and the absolute commitment of private enterprise would add strength to Indian textile industry.

Industry Structure/Development (Sugar)

The Indian sugar industry is characterized by the co-existence of private, cooperative and public sector. It is the second largest agro based industry after textiles. The growth of sugar industry has powerful impact on the rural economy. The Central Government following the recommendations of Dr. C. Rangarajan committee scrapped the levy obligation and dismantled the release mechanism. Import Duty was hiked from 10% to 15% from July 2013 to discourage sugar imports. Government of India unveiled a "scheme for extending Financial Assistance to sugar undertakings 2014" to infuse liquidity into sugar companies.

Management perception of Risk/concern/threat

The Indian sugar industry is highly cyclical in nature and is sensitive to government policies and weather conditions.



Sugarcane is the sole principal raw material, its availability, quality and cost are impacted by monsoon, less production or diversion of crop. Market sentiments move disproportionate to demand supply parity causing volatile change in product pricing..

Outlook

India has low per capita consumption with growing income. Its farm productivity has virtually remained stagnant for decades. There is thus immense scope for hiking production to meet growing demand. The Sugar Sector has an important role to play in ensuring food and energy security in the Country. It has tremendous transformational opportunities to meet food, fuel and power needs and earn carbon credit. For this to happen, supportive policy regime is required both at the Central & State Government levels.

Your company is making all efforts for sugarcane development in the cane area allotted to it by providing pesticides, Tissue culture plants and Tricho-gamma cards at subsidized rates, supply of disease free seeds and interest free crop loan to farmers of the area. The Company has undertaken necessary maintenance programme so that the plants fully equipped to crush higher quantity of sugarcane in the ensuing crushing season and to prevent breakdown during the season.

Segment wise/Financial/operational performance

The Company operates in three main business segments

i.e. Yarn, Fabrics and Sugar. Please refer Director's Report on the performance review

Internal control system and their adequacy

The Company is having adequate internal control systems and procedures with commensurate with the size of the company. The company is having internal audit department which ensures that the internal control systems are properly followed by all concerned departments of the company.

Material development in human resources/industrial relation front

The company is of firm belief that human resources are the driving force that propels a company towards progress and success and the company is committed to the development of its people. The total permanent employee's strength was 11174 as on 31/03/2014. The Industrial relations were cordial and satisfactory.

Cautionary Statement

Though the statement and view expressed in the said report are on the basis of best judgement but actual results might differ from whatever is stated in the report.

For and on behalf of the Board of Directors

**Place: Ludhiana
Dated: 11th August, 2014**

**Jawahar Lal Oswal
Chairman**

**Independent Auditors' Report****To the Members of****Nahar Industrial Enterprises Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Nahar Industrial Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement 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 referred to in sub-section (3C) of section 211 of 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 misstatement.

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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of 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 directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Raj Gupta & Co.
Chartered Accountants
FRN: 000203N

Raj Kumar Gupta
(Partner)

M.No. : 017039

Place : Ludhiana
Dated : 28th May, 2014



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements."

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, most of the fixed assets have been physically verified by the management during the year in a phased manner, which in our opinion is reasonable having regard to the size of the company. No material discrepancies were noticed on such verification.
- (c) The company has not disposed off a substantial part of its fixed assets during the year.
- (ii) (a) According to the information and explanations given to us, physical verification of inventories has been conducted at reasonable intervals by the management during the year.
- (b) In our opinion, 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 is maintaining proper records of its inventory. As explained to us, the discrepancies noticed on physical verification were not material. The discrepancies noticed have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clause 4 (iii)-(b), (c) and (d) of the order are not applicable.
- (e) According to the information and explanations given to us, the company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clause 4(iii)-(f) and (g) of the order are not applicable
- (iv) In our opinion, based on our observations and the information and explanations given to us, the company has in place an adequate internal control system commensurate with its size and the nature of its business, with regard to purchases of inventory, fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) (a) Based on the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions exceeding Rupees five lacs made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.
- (ix) (a) 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 and cess have generally been deposited by the company in time with the appropriate authorities.



Based on our examination of the records of the company and information and explanations given to us, there were no arrears of undisputed statutory dues as on 31st March, 2014 that remained payable for more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed dues outstanding in the books of account for income tax / sales tax / wealth tax / service tax / custom duty / excise duty / cess. However, following demands have been raised on account of disputed matters pending before various authorities:

Name of the Statute	Nature of the dues	Amount (₹ In lacs)	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1956	Sales tax Demand	9.43	Tamil Nadu Taxation Special Tribunal
Punjab VAT Act, 2005	Sales Tax demand	57.74	Sales Tax Tribunal, Chandigarh
The Central Excise Act, 1944	Excise Duty Demand	650.53	Commissioner Appeals, Chandigarh
	Excise Duty Demand	22.64	Commissioner Appeals, Ludhiana
	Excise Duty Demand	47.54	Commissioner Appeals, Jaipur
	Excise Duty Demand	13.39	CESTAT, Jaipur
Finance Act, 1994	Service Tax Demand	10.09	Commissioner Appeals, Ludhiana
	Service Tax Demand	9.27	The Supreme Court of India
	Service Tax Demand	33.74	Joint Commissioner, Jaipur
	Service Tax Demand	22.32	Commissioner Appeals, Chandigarh

- (x) The company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks or debenture holders.
- (xii) As explained to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the order are not applicable to the company.
- (xiii) The company is not a Chit Fund or a Nidhi, Mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the order are not applicable to the company.
- (xiv) Based on the information and explanations given to us and the records of the company examined by us, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the order are not applicable to the company.
- (xv) Based on our examination of the records of the company and information and explanations given to us, the company has not given any guarantee for loans taken by others from banks. Accordingly, the provisions of clause 4 (xv) of the order are not applicable to the company.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose for which the loans were obtained.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have not been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.



(xix) According to the information and explanations given to us, the company has not issued debentures during the year. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the company.

(xx) According to the information and explanations given to us, the company has not raised any money by way of public issue during the year. Accordingly the provisions of clause 4(xx) of the order are not applicable to the company.

(xxi) According to the information and explanations given to us, and to the best of our knowledge and belief, no

fraud on or by the company has been noticed or reported by the company during the year.

**For Raj Gupta & Co.
Chartered Accountants
FRN: 000203N**

**Raj Kumar Gupta
(Partner)
M.No. : 017039**

Place : Ludhiana
Dated : 28th May,2014



BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	NOTE NO.	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	400,342	400,342
Reserves and Surplus	3	<u>6,009,118</u>	<u>5,363,556</u>
		6,409,460	5,763,898
Non-Current Liabilities			
Long Term Borrowings	4	4,735,785	5,516,430
Deferred Tax Liability (net)	5	325,326	189,126
Other Long Term Liabilities	6	86,697	160,445
Long Term Provisions	7	<u>24,690</u>	<u>34,864</u>
		5,172,498	5,900,865
Current Liabilities			
Short Term Borrowings	8	4,624,477	5,089,751
Trade Payables	9	566,110	722,490
Other Current Liabilities	10	2,063,637	1,718,939
Short Term Provisions	11	<u>112,642</u>	<u>106,173</u>
		7,366,866	7,637,353
TOTAL		<u>18,948,824</u>	<u>19,302,116</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	7,345,376	7,663,857
Intangible Assets		6,435	--
Capital Work-in-Progress		342,774	124,305
Non-Current Investments	13	1,390,603	1,390,598
Long Term Loans and Advances	14	<u>110,715</u>	<u>124,374</u>
		9,195,903	9,303,134
Current Assets			
Inventories	15	6,325,353	6,765,201
Trade Receivables	16	2,105,145	1,696,489
Cash and Cash Equivalents	17	24,822	21,925
Short Term Loans and Advances	18	359,144	633,590
Other Current Assets	19	<u>938,457</u>	<u>881,777</u>
		9,752,921	9,998,982
TOTAL		<u>18,948,824</u>	<u>19,302,116</u>
Notes Forming Part of the Financial Statements	1 to 39		

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants
FRN : 000203N

R.K.Gupta
Partner

M.No. : 017039

Place : Ludhiana

Dated :28th May, 2014

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
President (Corporate
Finance & Accounts)

Dinesh Gogna
Director

Kamal Oswal
Vice Chairman Cum-
Managing Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE NO.	Current Year (₹ In '000)	Previous Year (₹ In '000)
INCOME			
Revenue from Operations (gross)	20	18,545,665	17,163,139
Less: Excise Duty		<u>50,524</u>	<u>58,754</u>
Revenue from Operations (net)		18,495,141	17,104,385
Other Income	21	<u>64,638</u>	<u>79,002</u>
Total Revenue		18,559,779	17,183,387
EXPENSES			
Cost of Material Consumed	22	10,267,873	8,719,351
Purchases of Stock-in-Trade	23	43,894	171,239
Changes in Inventories of Finished Goods, Work-in Progress and Stock-in-Trade	24	(856,784)	(64,847)
Employee Benefits Expense	25	1,413,051	1,240,943
Finance Costs	26	1,058,728	1,310,262
Depreciation	12	1,203,085	1,104,826
Other Expenses	27	<u>4,379,187</u>	<u>4,081,665</u>
Total Expenses		17,509,034	16,563,439
Profit Before Tax		1,050,745	619,948
Tax Expenses			
- Current Tax		222,070	75,150
- Deferred Tax		<u>136,200</u>	<u>126,350</u>
Profit for the Year		692,475	418,448
Basic and diluted earnings per equity share (Face value of equity share ₹10 each)	33	17.38	10.50

Notes Forming Part of the Financial Statements

1 to 39

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants
FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated : 28th May, 2014

Mukesh Sood

Company Secretary

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President (Corporate

Finance & Accounts)

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman Cum-

Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	2013-14 (₹ In '000)	2012-13 (₹ In '000)
(A) Cash Flow from Operating Activities		
Net Profit before Tax	1,050,745	619,948
Adjustment for:		
Depreciation	1,203,085	1,104,826
Sundry balances written back (Net)	51,014	(2,558)
Profit on sale of Fixed Assets (Net)	(24,808)	(28,757)
Profit on sale of Investment (Net)	--	(6,914)
Dividend Received	(4,402)	(2,677)
Interest Income	(27,459)	(19,148)
Interest Expense	1,058,728	1,310,262
Operating Profit before Working Capital Changes	3,306,903	2,974,982
Adjustment for:		
Trade & other receivable	(206,614)	(148,622)
Inventories	439,848	(1,474,078)
Trade Payables	(193,102)	(73,366)
Cash Generated from operations	3,347,035	1,278,916
Direct Taxes Paid	(246,658)	(94,053)
Net Cash from Operating Activities	3,100,377	1,184,863
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,177,709)	(1,017,054)
Sale of Fixed Assets	93,009	52,080
Sale of Investments	--	44,133
Purchase of Investments	(5)	(19,217)
Interest Received	27,459	19,148
Dividend Received	4,402	2,677
Net cash used in Investing Activities	(1,052,844)	(918,233)
(C) Cash Flow From Financing Activities		
Interest paid	(1,058,728)	(1,310,262)
Dividend paid	(40,206)	(39)
Corporate dividend tax	(6,770)	--
Proceeds from Long Term Borrowings (Net)	(473,658)	390,102
Changes in Working Capital Borrowings	(465,274)	646,237
Net Cash used in Financing Activities	(2,044,636)	(273,962)
Net Change in Cash & Cash Equivalents (A+B+C)	2,897	(7,332)
Opening Cash & Cash Equivalents	21,925	29,257
Closing Cash & Cash Equivalents	24,822	21,925

Notes :

- 1 Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
- 2 Figures in brackets represent deduction.

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated : 28th May, 2014

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

President (Corporate

Finance & Accounts)

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman Cum-

Managing Director

**Notes to Financial Statements for the year ended 31st March, 2014****1. SIGNIFICANT ACCOUNTING POLICIES****a) Accounting Convention:**

The financial statements, other than the cash flow statement, are prepared on accrual basis under the historical cost convention treating the entity as a going concern and in accordance with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

b) Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost comprises purchase price/construction cost, including non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. The borrowing costs in respect of qualifying assets incurred till the asset is ready for its intended use and adjustments arising out of exchange rate variations attributable to fixed assets are capitalized.

c) Depreciation:

1. Depreciation on fixed assets is charged on the written down value method, except in case of Arham Spinning Mills, Lalru. In case of new projects and major expansion of the existing units undertaken by the Company after 01.04.2005 till 31.03.2012, depreciation is charged on the straight line method, at the rates prescribed under Schedule XIV to the Companies Act, 1956.
2. The cost of computer software capitalized is amortised over a period of 4 years.

d) Impairment of Assets:

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired in terms of Accounting Standard 28 issued by Institute of Chartered Accountants of India (ICAI). If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account and charged to the Statement of Profit & Loss. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of recoverable amount of an asset.

e) Revenue Recognition:

- Revenue from sale of goods is recognized at the point of passing of title of the goods to the customer which generally coincides with delivery.
- Sale value is inclusive of excise duty paid at the time of clearance of goods but exclusive of sales tax.
- Export sales are accounted for on the basis of date of bill of lading.
- Revenue in respect of export incentives is recognized when such incentives accrue upon export of goods.

f) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower after providing for obsolescence, if any. The cost in respect of various items of inventory is determined as under :-

- In case of raw materials and stores & spares, at weighted average cost.
- In case of work-in-progress, at the raw material cost plus conversion cost depending upon the stage of completion of goods.
- In case of finished goods, at the raw material cost, conversion cost and other overheads incurred to bring the goods to their present location and condition plus excise duty, wherever applicable.

g) Investments:

Long-term investments are carried at cost less provisions, if any, for permanent diminution in value. Current investments are carried at lower of cost or fair value.

**Notes to Financial Statements for the year ended 31st March, 2014****h) Foreign Exchange Transactions:**

Transactions in foreign currency are recorded at the exchange rates prevalent at the time of transaction. Foreign currency assets and liabilities are stated at the exchange rates prevailing at the date of Balance Sheet or at forward contract rates, wherever so covered. Realized gains or losses on foreign exchange transactions, other than those relating to fixed assets, are recognized in the Statement of Profit and Loss. The difference in foreign exchange rates in the case of fixed assets is adjusted to the cost of fixed assets.

i) Accounting for taxes on Income:

Provision for current tax is made on the basis of aggregate amount of income tax actually payable for the year on the estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from the timing differences between book profit and tax profit is accounted for at the enacted rate of tax to the extent that the timing differences are expected to reverse in future. Deferred Tax Assets are recognized only to the extent there is virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

j) Employee benefits:**1. Short-term employee benefits:**

Short-term employee benefits are recognized as an expense in the Statement of Profit & Loss in the year in which the related services are rendered by the employees.

2. Retirement benefits:**Defined contribution plans:**

Contributions to the employees' provident fund are made in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Such contributions are charged to the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined benefit plans:**Gratuity:**

Liability in respect of gratuity is accounted for on the basis of an independent actuarial valuation. The present value of defined benefit obligation as at the end of the year is determined using the Projected Unit Credit method i.e. each period of service rendered by the employee is considered to give rise to an additional unit of benefit entitlement, gradually building up the final obligation.

The company funds its gratuity liability through a qualifying group gratuity policy taken from the Life Insurance Corporation of India by an approved gratuity trust formed for the purpose. The difference between the present value of the obligation and the fair value of plan assets as at the end of the year is recognized in the financial statements.

k) Contingent Liabilities:

No provision is made for liabilities that are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the resulting loss can be made. However, all known, material contingent liabilities are disclosed by way of separate notes.

l) Miscellaneous Expenditure to the extent not written off:

Issue expenses are written off over a period of ten years.



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	As At 31st March, 2014 (₹ In '000)		As At 31st March, 2013 (₹ In '000)	
2. Share Capital				
Authorized:				
65,000,000 Equity Shares of ₹ 10/- each (Previous Year 65,000,000)		650,000		650,000
Total		650,000		650,000
Issued, Subscribed and Fully Paid up :				
39,835,141 Equity Shares of ₹ 10 each (Previous Year 39,835,141)	398,351		398,351	
Add: Share Forfeited Account (Amount originally paid up)	1,991	400,342	1,991	400,342
Total		400,342		400,342
		As At 31st March, 2014		As At 31st March, 2013
a. Reconciliation of the number of equity shares outstanding :				
At the beginning of the period		39,835,141		39,835,141
Outstanding at the end of period		39,835,141		39,835,141
b. Terms/rights attached to equity shares :				
The company has only one class of Equity Shares having Face value of ₹ 10/- each. Each holder of equity share is entitled to only one vote per share.				
c. Detail of Shareholders holding more than 5% shares :				
		As At 31st March, 2014		As At 31st March, 2013
Shareholders	Number	% of holding	Number	% of holding
Nahar Capital & Financial Services Ltd.	9,336,745	23.44	9,336,745	23.44
JL Growth Fund Ltd.	3,421,836	8.59	3,421,836	8.59
Nahar Poly Films Ltd.	2,708,800	6.80	2,708,800	6.80
Vardhman Investments Ltd.	2,277,955	5.72	2,277,955	5.72
Ashish Dhawan	2,590,124	6.50	2,590,124	6.50
Nagdevi Trading & Investment Co. Ltd.	2,150,608	5.40	1,953,781	4.90



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
3. Reserves and Surplus		
Capital Subsidy Reserve		
Balance as per last Balance Sheet (Received from Central/State Government under Subsidy Scheme)	21,000	21,000
Capital Reserve		
Balance as per last Balance Sheet	947,486	947,486
Capital Redemption Reserve		
Balance as per last Balance Sheet	192,500	192,500
Securities Premium Account		
Balance as per last Balance Sheet	3,345,408	3,345,408
General Reserve		
Balance as per last Balance Sheet	701,770	324,107
Add: Transfer from surplus/(deficit) in the Statement of Profit & Loss	<u>645,562</u>	<u>377,663</u>
	1,347,332	701,770
Contingent Liability Reserve		
Balance as per last Balance Sheet	155,392	160,904
Less: Transfer to surplus/(deficit) in the Statement of Profit & Loss	<u>--</u>	<u>5,512</u>
	155,392	155,392
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	--	--
Add : Profit for the year	692,475	418,448
Add : Transfer from Contingent Liability Reserve	--	5,512
Less : Proposed Dividend on Equity shares	39,835	39,835
Less : Corporate Dividend Tax	7,078	6,462
Less : Transfer to General Reserve	<u>645,562</u>	<u>377,663</u>
Total	<u>6,009,118</u>	<u>5,363,556</u>



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
4. Long Term Borrowings		
Term Loans (Secured)		
From Banks	4,314,384	5,125,824
Others (Unsecured)		
Deferred Payment Liabilities	--	9,180
Loans And Advances from Related Parties	<u>421,401</u>	<u>381,426</u>
Total	<u>4,735,785</u>	<u>5,516,430</u>

4.1 Terms of repayment of long term borrowings :

i) Terms of repayment of term loans*

As At 31st March, 2014 (₹ In Thousands)	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2014	
		No.	Periodicity
83,296	3	4	Quarterly
125,000	3	3	Quarterly
276,250	4	11	Quarterly
269,915	4	12	Quarterly
96,000	6	7	Monthly
190,931	8	7	Quarterly
15,000	8	3	Quarterly
37,490	8	4	Quarterly
271,200	8	9	Quarterly
23,021	8	12	Quarterly
126,564	8	20	Quarterly
1,041,000	8	24	Quarterly
160,488	8	24	Quarterly
311,961	8	25	Quarterly
20,180	8	5	Quarterly
165,949	8	9	Quarterly
1,255,026	8	29	Quarterly
100,349	8	9	Quarterly
6,491	8	3	Quarterly
128,217	8	7	Quarterly
417,194	8	13	Quarterly
44,051	8	12	Quarterly
92,558	8	23	Quarterly
36,000	8	6	Quarterly
365,000	3	7	Quarterly
239,600	3	23	Monthly
99,678	5	12	Quarterly
588	3	36	Monthly
586	3	35	Monthly
571	3	34	Monthly
604	3	34	Monthly
<u>6,000,758</u>			

* Figures of term loan stated in para 4.1 (i) includes current maturities of long term debt shown separately in Note no 10.



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
ii) Loans and Advances from related parties will be paid after three years.		
4.2 Term loan from IDBI Bank Limited, Canara Bank, State Bank of Patiala, State Bank of India, Indian Overseas Bank, Allahabad Bank, Punjab National Bank, Axis Bank, State Bank Of Mysore, Punjab & Sind Bank, Corporation Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali, Industrial Focal Point, Phase VIII, Village Mundian, Distt. Ludhiana, Village Jalaldiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khijuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh, Distt. Fatehgarh Sahib (Punjab) including the Company's movable Plant and Machinery, Machinery Spares and other movables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.		
5. Deferred Tax Liability (net)		
Deferred tax liability		
Relating to fixed assets	333,717	456,144
Deferred tax assets		
Disallowance u/s 43B of the Income Tax Act, 1961	8,391	46,627
Business Losses (Unabsorbed)	--	220,391
Total	325,326	189,126
6. Other Long Term Liabilities		
Security deposits	50,786	44,780
Other liabilities	35,911	115,665
Total	86,697	160,445
7. Long Term Provisions		
Provision for Employee Benefits		
Provision for gratuity	24,690	34,864
Total	24,690	34,864
8. Short Term Borrowings		
Loans repayable on demand		
Working capital borrowings from banks (Secured)	4,624,477	5,089,751
Total	4,624,477	5,089,751

8.1 Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd charge on Fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
9. Trade Payables		
Micro, Small and Medium Enterprises	--	--
Others	566,110	722,490
Total	<u>566,110</u>	<u>722,490</u>

9.1 In response to the letters sent to the suppliers seeking to know the status of their coverage under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) the Company has received replies from some of the suppliers.

Disclosures as required under Section 22 of the MSMED Act, 2006 are given below:

Particulars	Current year	Previous year
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	--	--
- Interest thereon	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	--	--
The amount of interest accrued and remaining unpaid.	--	--
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	--	--

**Notes to Financial Statements for the year ended 31st March, 2014**

PARTICULARS	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
10. Other Current Liabilities		
Current maturities of long-term debt	1,686,374	1,379,387
Interest accrued but not due on borrowings	--	11
Unclaimed dividend	11,934	12,305
Other Payables		
- Statutory dues	48,533	56,263
- Advance from customers/others	35,785	30,354
- Due to Employees	169,153	130,674
- Others	111,858	109,945
Total	<u>2,063,637</u>	<u>1,718,939</u>

10.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investors' Education and Protection Fund

11. Short Term Provisions**Provision for Employee Benefits**

Leave encashment	18,553	18,720
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Other provisions

Proposed dividend	39,835	39,835
Corporate dividend tax	6,770	6,462
Excise duty on closing stock	47,484	41,156

Total	<u>112,642</u>	<u>106,173</u>
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Notes to Financial Statements for the year ended 31st March, 2014

(₹ In '000)

12. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
	As at 1.4.2013	Additions During the Year	Sale/ Adjustment During the Year	As at 31.3.2014	Upto 31.3.2013	Provided during the year	Adjusted/ Written back during the year	As at 31.3.2014	As at 31.03.2013
TANGIBLE ASSETS									
Leasehold Land	31,122	--	--	31,122	--	--	--	31,122	31,122
Freehold Land	649,470	23,810	--	673,280	--	--	--	673,280	649,470
Building	3,260,274	239,868	44,642	3,455,500	1,069,091	127,362	4,325	2,263,372	2,191,183
Plant & Machinery	13,071,186	642,782	106,904	13,607,064	8,373,930	1,051,502	81,855	4,263,487	4,697,256
Furniture & Fixtures	71,341	14,467	3,705	82,103	26,614	8,815	3,365	50,039	44,727
Office Equipment	88,258	11,615	7,381	92,492	58,831	7,720	6,463	32,404	29,427
Vehicles	50,771	19,103	7,205	62,669	30,099	6,526	5,628	31,672	20,672
TOTAL(A)	17,222,422	951,645	169,837	18,004,230	9,558,565	1,201,925	101,636	7,345,376	7,663,857
INTANGIBLE ASSETS									
Computer Software	24,081	7,595	--	31,676	24,081	1,160	--	6,435	--
TOTAL(B)	24,081	7,595	--	31,676	24,081	1,160	--	6,435	--
TOTAL(A+B)	17,246,503	959,240	169,837	18,035,906	9,582,646	1,203,085	101,636	7,351,811	7,663,857
Previous Year	15,163,934	2,237,289	154,720	17,246,503	8,609,217	1,104,826	131,397	7,663,857	6,554,717

**Notes to Financial Statements for the year ended 31st March, 2014**

PARTICULARS	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
13. NON-CURRENT INVESTMENTS		
I. TRADE INVESTMENTS		
INVESTMENT IN EQUITY SHARES		
Investment in Associates (Quoted)		
2,356,930-Fully paid up Equity Shares of ₹ 5/- each of Nahar Spinning Mills Limited (Previous Year 2,356,930)	241,003	241,003
1,264,720-Fully paid up Equity Shares of ₹ 5/-each of Nahar Poly Films Limited (Previous Year 1,264,720)	63,525	63,525
1,363,221-Fully paid up Equity Shares of ₹ 5/-each of Nahar Capital and Financial services Limited (Previous Year 1,363,221)	190,820	190,820
II. OTHER INVESTMENTS		
(i) INVESTMENT IN EQUITY SHARES		
(a) Investment in Others (Quoted)		
30,900-Fully paid up Equity Shares of ₹ 10/- each of BPL Engineering Limited (Previous Year 30,900).	280	280
22,500-Fully paid up Equity Shares of ₹ 10/- each of Pertech Computer Limited (Previous Year 22,500)	23	23
12,555-Fully paid up Equity Shares of ₹ 10/- each of Pasupati Acrylon Limited (Previous year 12,555)	94	94
7,700-Fully paid up Equity Shares of ₹ 10/- each of R.S.Petro Chemical Limited (Previous Year 7,700)	8	8
50-Fully paid up Equity Shares of ₹ 10/- each of Malwa Cotton & Spinning Mills Limited (Previous year 50)	2	2
(b) Investment in Associates (Unquoted)		
180,000- Fully Paid Up Equity Shares of ₹ 100/- each of J.L.Growth Fund Limited (Previous Year 180,000)	168,480	168,480
250,000 Fully Paid Up Equity Shares of ₹ 100/- each of Vardhman Investment Limited (Previous Year 250,000)	147,500	147,500



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
164,000-Fully Paid Up Equity Shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	106,600	106,600
3,360-Fully Paid Up Equity Shares of ₹ 100/- each of Nagdevi Trading & Investment Co. Limited. (Previous year 3,360)	51	51
10,729,474-Fully Paid Up Equity Shares of ₹ 10/- each of Cotton County Retail Limited (Previous year 10,729,474)	397,892	397,892
100,000 - Fully Paid Shares of GBP 1.00 Per Share of Crown Star Limited (Previous year 100,000)	7,162	7,162
(c) Investment in Others (Unquoted)		
3,558,786 -Fully Paid Up Class-'A' Equity Shares of ₹ 10/- each of VS Lignite Power Pvt Ltd (Previous year 3,558,786)	35,588	35,588
One Fully Paid Up Equity Share of ₹ 100 of Punjab State Co-operative Bank Limited (Previous Year One) (Cost ₹ 100)	--	--
One Fully Paid Up Equity Share of ₹ 5,000/- of Krishna building Owners' Association (Previous Year Nil)	5	--
(ii) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES IN OTHERS (Unquoted)		
3,156,958 Fully Paid Up Class 'A' 0.01% Cumulative Redeemable Preference Shares of ₹ 10/- each of VS Lignite Power Pvt Ltd (Previous year 3,156,958)	31,570	31,570
TOTAL	<u>1,390,603</u>	<u>1,390,598</u>
1. Aggregate amount of Quoted Investments	495,755	495,755
2. Market Value of Quoted Investments	305,972	241,720
3. Aggregate amount of Unquoted Investments	894,848	894,843



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	As At 31st March, 2014 (₹ In '000)	As At 31st March, 2013 (₹ In '000)
14. Long Term Loans and Advances (Unsecured considered good)		
Capital advances	1,285	11,770
Security deposits	109,430	112,604
Total	110,715	124,374
15. Inventories (As Taken, Valued and Certified By The Management)		
Raw Materials	2,377,873	3,703,249
Work-in-Progress	505,957	498,270
Finished Goods	3,172,887	2,323,790
Stores and Spares	268,636	239,892
Total	6,325,353	6,765,201
15.1 Detail of Inventory-Finished Goods		
Yarn	668,571	423,604
Fabrics	1,208,115	930,482
Sugar	1,173,763	820,924
Other	122,438	148,780
Total	3,172,887	2,323,790
16. Trade Receivables (Unsecured Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	15,969	87,324
Others	2,089,176	1,609,165
Total	2,105,145	1,696,489
17. Cash and Cash Equivalents		
Balance with banks:		
In current accounts	3,059	2,346
In unpaid dividend accounts	11,934	12,305
Deposit with more than 3 months but less than 12 months maturity	324	1,022
Cash in hand	9,505	6,252
Total	24,822	21,925
18. Short Term Loans and Advances (Unsecured considered good)		
Prepaid expenses	15,648	20,930
Advances to suppliers	330,495	598,707
Loans and advances to employees	11,845	12,952
Others	1,156	1,001
Total	359,144	633,590
19. Other Current Assets (Unsecured considered good)		
Advance Income tax(Net of Provision)	78,492	53,902
Balances with government authorities	292,012	314,472
Others	567,953	513,403
Total	938,457	881,777



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	Current Year (₹ In '000)	Previous Year (₹ In '000)
20. Revenue from Operations		
Sale of Products	18,318,861	16,984,043
Other Operating Income	106,009	42,927
Export Incentives	120,795	136,169
Revenue from Operations (gross)	<u>18,545,665</u>	<u>17,163,139</u>
Less: Excise Duty	50,524	58,754
Revenue from Operations (net) Total	<u>18,495,141</u>	<u>17,104,385</u>
20.1 Details of Products Sold		
Yarn	9,362,810	8,146,078
Fabrics	7,299,416	6,641,073
Sugar	1,084,673	1,613,785
Others	571,962	583,107
Total	<u>18,318,861</u>	<u>16,984,043</u>
21. Other Income		
Interest income	27,459	19,148
Dividend Income	4,402	2,677
Profit on sale of investment	--	9,932
Other non-operating income	32,777	47,245
Total	<u>64,638</u>	<u>79,002</u>
22. Cost of Material Consumed		
Opening Stock	3,703,249	2,297,517
Add : Purchases	8,942,497	10,125,083
Less: Closing Stock	2,377,873	3,703,249
Total	<u>10,267,873</u>	<u>8,719,351</u>
22.1 Detail of cost of Material Consumed		
Fibres	8,390,183	7,280,153
Yarn	523,177	380,300
Sugarcane	1,263,377	1,045,971
Others	91,136	12,927
Total	<u>10,267,873</u>	<u>8,719,351</u>
23. Detail of Purchase of Stock-in-Trade		
Fibres	8,409	104,342
Yarn	30,304	52,168
Fabric	4,473	14,713
Garments	708	16
Total	<u>43,894</u>	<u>171,239</u>
24. Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	498,270	473,070
Finished goods	2,323,790	2,284,143
Closing Stock		
Work-in-progress	505,957	498,270
Finished goods	3,172,887	2,323,790
Total	<u>(856,784)</u>	<u>(64,847)</u>



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	Current Year (₹ In '000)	Previous Year (₹ In '000)
25. Employee Benefits Expense		
Salary, Wages and Other Allowances	1,263,387	1,088,856
Contribution to provident and other funds	127,617	129,518
Staff welfare expenses	17,208	17,245
Staff Recruitment & Development expenses	4,839	5,324
Total	1,413,051	1,240,943
25.1 Employee benefits		
The detail of employee benefits with regard to gratuity, a funded defined benefit plan, are given here :		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of year	142,466	98,993
Current Service Cost	24,709	16,851
Acquisition Cost/(Credit)	--	2,223
Interest Cost	10,998	8,152
Actuarial Loss	(1,721)	24,653
Benefits paid	(9,985)	(8,406)
Present value of obligation at the end of the year	166,467	142,466
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	107,602	89,051
Expected return of plan assets	10,718	8,462
Contributions	32,961	18,343
Benefits paid	(9,985)	(8,406)
Actuarial gain	481	152
Fair value of plan assets at the end of the year	141,777	107,602
Net (Liability) / Asset recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	166,467	142,466
Fair value of plan assets at the end of the year	141,777	107,602
Net (Liability) / Asset recognised in the Balance Sheet	(24,690)	(34,864)
Expense recognised in the Statement of Profit and Loss		
Current service cost	24,709	16,851
Interest cost on benefit obligation	10,998	8,152
Expected return on plan assets	(10,718)	(8,462)
Net Actuarial Loss recognised in the year	(2,202)	24,501
Net gratuity cost	22,787	41,042
Actuarial assumptions		
Discount rate	9.25%	8.00%
Expected rate of return on plan assets	9.00%	9.00%
Long term rate of compensation increase	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. Discount rate is based on market yields prevailing on government bond as at 31 March 2014 for the estimated term of defined benefit obligation.



Notes to Financial Statements for the year ended 31st March, 2014

PARTICULARS	Current Year (₹ In '000)	Previous Year (₹ In '000)
26. Finance Costs		
Interest Expense	1,019,338	1,151,629
Other Borrowings Cost	39,390	31,012
Foreign Exchange Hedging Loss (Net of Premium Receipts)	--	127,621
Total	<u>1,058,728</u>	<u>1,310,262</u>
27. Other Expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	1,370,089	1,309,292
Power and Fuel	2,296,977	2,155,878
Handling and Restacking charges	44,355	41,614
Machinery Repairs and Maintenance	26,667	28,880
Excise duty on stocks	6,328	(5,921)
Sub Total	<u>3,744,416</u>	<u>3,529,743</u>
b. Administrative & Other Expenses		
Rent	3,127	2,771
Rates & Taxes	7,969	8,279
Insurance	36,389	27,893
Legal & Professional Expenses	12,932	10,526
Travelling & Conveyance*	35,165	36,206
Vehicle Repair & Maintenance	9,953	10,947
Payment To Auditor	1,519	1,405
Directors Remuneration	2,688	2,688
Director Meeting Fee	174	219
Repairs and Maintenance	36,328	31,997
Loss on Sale/discard of Fixed Assets	1,476	1,039
Loss on Sale of Investments	--	3,018
Charity & Donation	342	5
Miscellaneous Expenses	81,288	26,747
Sub Total	<u>229,350</u>	<u>163,740</u>
* Include Directors Travelling of ₹ 3,314 thousands (Previous Year ₹ 4,412 thousands)		
c. Selling Expenses		
Forwarding and Octroi	212,080	216,298
Commission & Brokerage	102,830	110,053
Rebate and Discount	54,256	38,408
Other Selling Expenses	36,255	23,423
Sub Total	<u>405,421</u>	<u>388,182</u>
Total (a+b+c)	<u>4,379,187</u>	<u>4,081,665</u>
27.1 Payment to auditor		
As Auditor:		
Audit fee	901	901
Tax audit fee	314	150
In other capacity	222	269
Reimbursement of expenses	82	85
Total	<u>1,519</u>	<u>1,405</u>

**Notes to Financial Statements for the year ended 31st March, 2014****28) CONTINGENT LIABILITIES NOT PROVIDED FOR :**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹1,010.03 Lacs (Previous year ₹3,498.34 Lacs).
- b) Letter of Credits in favour of suppliers and others ₹868.81 Lacs (Previous year ₹4,852.15 Lacs).
- c) Bank Guarantees in favour of suppliers and others ₹916.08 Lacs (Previous Year ₹335.57 Lacs)
- d) Sales tax demands against which the company has preferred appeals ₹67.17 Lacs (Previous year ₹120.46 Lacs).
- e) The Central Excise Authorities have issued show cause notices to the Company for ₹809.52 Lacs on various matters under the Central Excise Rules (Previous Year ₹749.29 Lacs). The Company has filed suitable replies with the concerned authorities.
- f) Punjab State Power Corporation Ltd. has raised a net demand of ₹146.54 Lacs (Previous Year ₹121.78 Lacs) on account of paralleling operation charges for the captive power generation by the Company. The Company has protested the demand in the Hon'ble Courts.
- g) The Company has executed bonds / legal undertakings for an aggregate amount of ₹8,161.57 Lacs (Previous year ₹6,900.39 Lacs) in favour of The President of India for fulfillment of its obligations under the rules made under Central Excise Act, 1944 and Customs Act, 1962.
- h) Claims of ₹486.49 Lacs (Previous Year ₹437.35 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.
- i) On the basis of liability under disputed derivative contracts the banks have created interest demand of ₹135.03 lacs so far on account of non payment. Since the derivative contracts are subjudice and disputed, thus the interest liability is contingent and has not been provided for.
- 29)** The Company has undertaken export obligations of ₹52,048.08 Lacs (Previous year ₹38,251.63 Lacs) to export goods against the issuance of Import Licenses / Advance Licenses for the Import of Capital Goods and Raw Materials. Out of this, export obligations of ₹50,468.39 Lacs (Previous year ₹36,671.95 Lacs) have been fulfilled up to 31st March, 2014.
- 30)** Advances include ₹27.76 Lacs (Previous Year ₹27.76 Lacs) paid to the machinery suppliers that are under dispute. The matter is pending in the Delhi High Court.
- 31)** In the opinion of the Board of Directors, the Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet, unless stated otherwise.
- 32)** Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2014 for ₹6,597.01 Lacs (Previous year ₹6,896.92 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.

33) Earnings Per Share (EPS)

(₹ In Lacs)

	2013-14	2012-13
Profit after Tax (₹ in Lacs)	6,924.75	4,184.48
Weighted average no. of ordinary shares	39,835,141	39,835,141
Weighted average no. of diluted shares	39,835,141	39,835,141
Nominal value of ordinary share (₹)	10.00	10.00
Basic / Diluted Earning Per Share (₹)	17.38	10.50



Notes to Financial Statements for the year ended 31st March, 2014

34) Segment Information as required by Accounting Standard 17 "Segment Reporting" issued by the ICAI and compiled on the basis of the financial statements is as under :-

	(₹ In Lacs)				
	Yarn	Fabric	Sugar	Others	Total
Segment Revenue					
Total Revenue	158,955.88	106,025.34	12,600.69	75.89	277,657.80
Less: Inter Segment Revenue					94,974.43
Net Revenue					182,683.37
Segment Results					
Profit/ (Loss) before exceptional items, interest and tax	11,058.77	9,458.34	809.72	(232.10)	21,094.73
Less: interest					10,587.28
Profit before tax					10,507.45
Capital Employed					
Segment Assets- Segment Liabilities	67,085.84	39,893.91	8,039.45	16,550.25	131,569.45

35) **Related Party Disclosures**

Detail of transactions entered into with related parties during the year as required by Accounting Standard 18 issued by the ICAI are as under: -

Particulars	Associates*	Key Management Personnel (KMP)	Relative of Key Management Personnel
Purchase of goods	5,856.58	--	--
Sales of Goods	25,814.77	--	--
Purchase of Fixed assets	225.90	--	--
Sale of Fixed assets	33.62	--	300
Sale of FMP/FMS license	164.82	--	--
Dividend received	44.02	--	--
Dividend Paid	267.97	0.01	--
Interest paid	388.73	--	--
Rent received	16.31	15.00	--
Rent paid	17.57	--	--
Processing charges received	45.37	--	--
Director Meeting Fee	--	0.30	--
Remuneration	--	26.88	6.00
Loan received (Net)	21.14	--	--
Balance Payable (net) as on 31.03.2014	2,337.77	--	--

Name of related parties and description of relationship:

Associates*

Nahar Spinning Mills Limited , Nahar Poly Films Limited, Nahar Capital and Financial Services Limited, Oswal Woolen Mills Limited, Atam Vallabh Financers Limited, J.L.Growth Fund Limited, Vardhman Investments Limited, Abhilash Growth Fund Pvt. Limited, Kovlam Investment Trading Co. Limited, Nagdevi Trading Investment Co. Limited, Nahar Growth Fund Pvt. Limited, Neha Credit Investment Pvt. Limited, Sankheshwar Holding Co. Limited, Vanaik Investor Limited, Vinayak Spinning Mills Limited, Nahar Industrial Infrastructure Corporation Limited, Cotton County Retail Limited, Crown Star Limited, Nahar Financial and Investment Limited, Monte Carlo Fashions Limited, Hug Foods Pvt Limited.



Notes to Financial Statements for the year ended 31st March, 2014

Key Management Personnel

Sh. Jawahar Lal Oswal, Sh. Kamal Oswal and Sh. Dinesh Oswal

Relatives of Key management Personnel

Mrs. Abhilash Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mr. Rishab Oswal , Mr. Abhinav Oswal & Mrs Ruchika Oswal

*Associates include enterprises in which Key Management Personnel or their relatives have significant influence. It also includes enterprises with which no transaction has taken place during the period.

36) Expenditure in Foreign Currency

PARTICULARS	2013-14		2012-13	
	(₹ In '000)		(₹ In '000)	
a) Value of Import on CIF basis				
(i) Raw Material		--		27,378
(ii) Capital Goods & Stores		357,198		268,616
b) Expenditure in Foreign Currency				
(i) Travelling		2,170		1,908
(ii) Commission		33,589		13,138
(iii) Others		7,126		7,341

37) Earning in Foreign Currency

PARTICULARS	2013-14		2012-13	
	(₹ In '000)		(₹ In '000)	
a) Earnings in Foreign Exchange				
i) F.O.B. Value of Exports		2,396,107		2,497,498
ii) Others		--		9,028

38) Value of Imported and Indigenous Raw Material, Consumables, Spare Parts, Components & Store Consumed.

PARTICULARS	2013-14		2012-13	
	(₹ In '000)	%age	(₹ In '000)	%age
i) Raw Material				
Imported	6,665	0.06	24,139	0.28
Indigenous	10,261,208	99.94	8,695,212	99.72
ii) Consumables, Stores, Spares Parts & Components				
Imported	132,549	9.67	161,156	12.31
Indigenous	1,237,540	90.33	1,148,136	87.69

39) The previous year figures have been reclassified to confirm to this year's classification.

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated : 28th May, 2014

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

President (Corporate

Finance & Accounts)

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman Cum-

Managing Director



NAHAR INDUSTRIAL ENTERPRISES LIMITED

Registered Office: Focal Point, Ludhiana – 141010
 CIN: L15143PB1983PLC018321, Website: www.owmnaahar.com
 Email : msood@owmnaahar.com ; share@owmnaahar.com
 Ph. 0161-2672590, 2672591, Fax: 0161-2674072

BALLOT FORM

Sr. No.	Particulars	Details
1.	Name and Registered Address of the Sole/First named shareholder	
2.	Name (s) of the Joint Holder(s) (if any)	
3.	Registered Folio No. / DP Id No. and Client Id No.	
4.	Number of Shares held	

I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 30th Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2014 by sending my / our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below.

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (For)	I/We dissent from the Resolution (Against)
1.	To receive, consider and adopt the Financial Statements of the Company for the Financial year ended on 31st March, 2014 and the reports of Directors and Auditors thereon.			
2.	To declare dividend on equity share.			
3.	To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
4.	To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment			
5.	To appoint Auditors of the Company for the financial year 2014-15 and fix their remuneration.			
6.	To appoint Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576) as an Independent Director of the Company.			
7.	To appoint Prof. Kanwar Sain Maini (DIN: 00454686) as an Independent Director of the Company.			
8.	To appoint Dr. Yash Paul Sachdeva (DIN: 02012337) as an Independent Director of the Company.			
9.	To appoint Dr. Amrik Singh Sohi (DIN: 03575022) as an Independent Director of the Company.			
10.	To appoint Sh. Ajit Singh Chatha (DIN: 02289613) as an Independent Director of the Company.			
11.	To approve the remuneration of cost auditor for the financial year 2014-15			
12.	Special resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs. 2500 crore over and above the aggregate of the paid-up share capital and free reserves of the Company.			
13.	Special resolution under section 180(1)(a) of the Companies Act, 2013 for creation of security/hypothecation/mordgage.			

Place : _____

Date : _____

Signature of the Member / Authorised Representative

Note : Please read the instructions printed overleaf carefully before exercising your vote.

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Instructions

1. The ballot form is provided for the benefit of members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
4. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. P.S.Bathla, Practising Company Secretary (Membership No. FCS-4391) C/o. M/s. P.S.Bathla & Associates (Certificate of Practice Number - 2585) at the Registered office of the Company.
2. The Form should be signed by the Member as per the specimen signatures registered with the Company / Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the Registration Number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
3. In case the shares are held by the companies, trusts, societies etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 22nd August, 2014 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 24th September, 2014 (6.00 P.M.). Ballot Form received after 24th September, 2014 will be strictly treated as if the reply from the Members has not been received.
7. A member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in the Serial No. 6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signatures cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
10. The results declared along with Scrutinizer's Report, shall be placed on the Company's website i.e. www.ownahar.com and on the website of the Central Depository Services (India) Ltd. within two days of the passing of the Resolutions at the AGM of the Company on 30th September, 2014, and communicated to the BSE Limited, and National Stock Exchange of India Ltd., where the shares of the Company are listed.



NAHAR INDUSTRIAL ENTERPRISES LIMITED

Registered Office: Focal Point, Ludhiana – 141010

CIN: L15143PB1983PLC018321

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D.P. ID*		Folio No.	
Client ID*		No. of Shares held	

I / We hereby record my / our presence at the 30th Annual General Meeting of the Company being held on Tuesday, the 30th day of September, 2014 at 2.00 p.m. at the Registered office of the Company at Focal Point, Ludhiana – 141010.

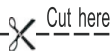
Name of the Shareholder(s) 1. _____ 2. _____ 3. _____

Signature of Shareholder(s) 1. _____ 2. _____ 3. _____

Signature of the Proxyholder _____

* Applicable for investors holding shares in electronic form.

Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.



NAHAR INDUSTRIAL ENTERPRISES LIMITED

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]
FORM NO. MGT-11

PROXY FORM

CIN: L15143PB1983PLC018321

Name of the Company: **NAHAR INDUSTRIAL ENTERPRISES LIMITED**

Registered office: Focal Point, Ludhiana – 141010

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

- Name Address
Email Id Signatures or failing him
- Name Address
Email Id Signatures or failing him
- Name Address
Email Id Signatures or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 30th Annual General Meeting of the company, to be held on Tuesday, the 30th day of September, 2014 at 2.00 p.m. at the Registered Office of the Company at Focal Point, Ludhiana –141010 and at any adjournment thereof in respect of such resolutions as are indicated below:



✂ Cut here

Resolution No.	Resolution	Optional*	
		For	Against
1	To receive, consider and adopt the Financial Statements of the Company for the Financial year ended on 31 st March, 2014 and the reports of Directors and Auditors thereon.		
2	To declare dividend on equity shares.		
3	To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
4	To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
5	To appoint Auditors of the Company for the financial year 2014-15 and fix their remuneration		
6	To appoint Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576) as an Independent Director of the Company		
7	To appoint Prof. Kanwar Sain Maini (DIN: 00454686) as an Independent Director of the Company		
8	To appoint Dr. Yash Paul Sachdeva (DIN: 02012337) as an Independent Director of the Company		
9	To appoint Dr. Amrik Singh Sohi (DIN: 03575022) as an Independent Director of the Company		
10	To appoint Sh. Ajit Singh Chatha (DIN: 02289613) as an Independent Director of the Company		
11	To approve the remuneration of cost auditor for the financial year 2014-15		
12	Special resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs. 2500 crore over and above the aggregate of the paid-up share capital and free reserves of the Company.		
13	Special resolution under section 180(1)(a) of the Companies Act, 2013 for creation of security/ charge/mortgage.		

Signed this day of 2014

Signature of shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp
of Rs. 1/-

Note:

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. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 30th Annual General Meeting.
3. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

Through Courier
(Printed Matter)

If undelivered, please return to :
NAHAR INDUSTRIAL ENTERPRISES LIMITED
Regd. Office : Focal Point,
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