



The Nahar Group

**31ST
ANNUAL REPORT
2014-15**



NAHAR INDUSTRIAL ENTERPRISES LIMITED



BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal, Chairman
Sh. Kamal Oswal, Vice Chairman-cum-Managing Director
Sh. Dinesh Oswal, Director
Sh. Dinesh Gogna, Director
Sh. Navdeep Sharma, Additional Director
Dr. (Mrs) Harbhajan Kaur Bal, Independent Director
Dr. Yash Paul Sachdeva, Independent Director
Dr. Amrik Singh Sohi, Independent Director
Sh. Ajit Singh Chatha, IAS (Retd.), Independent Director
Dr. Vijay Asdhir, Additional Director (Independent Director)

CHIEF FINANCIAL OFFICER

Sh. Bharat Bhushan Gupta

COMPANY SECRETARY

Sh. Mukesh Sood

AUDITORS

M/s. Raj Gupta & Co., Chartered Accountants,
549/10, Suttlej 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

Phone : 0161-2672590, 2672591, Fax : 0161-2674072

CORPORATE IDENTITY NUMBER (CIN) : L15143PB1983PLC018321

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Performance at a glance

(₹ In Lacs)

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Gross sales/operating income	124,755.56	141,196.74	171,631.39	185,456.65	180,740.09
Exports	10,316.80	13,033.58	25,673.24	26,439.93	19,403.45
Net Profit	3,152.87	(8,075.56)	4,184.48	6,924.75	(2,800.68)
Cash Accruals	12,188.62	(2,479.14)	17,247.74	22,538.30	10,000.36
Gross Block including CWIP	147,039.21	165,084.74	173,708.08	183,786.80	188,827.33
Net Block including CWIP	68,219.32	78,992.57	77,881.62	76,945.85	65,460.35
Equity Share Capital	4,003.40	4,003.42	4,003.42	4,003.42	4,003.42
Net Worth	62,318.27	53,917.47	57,638.98	64,094.60	57,945.48
Capital Employed	120,430.33	120,314.26	128,666.43	131,569.45	116,497.44
Debt Equity Ratio	0.75	1.01	0.96	0.74	0.73
Current Ratio	1.35	1.25	1.31	1.32	1.32
Book Value per share (₹)	155.66	135.35	144.69	160.90	145.46
Earning per share (₹) [Basic]	7.80	(19.99)	10.50	17.38	(7.03)

The Journey

1983	Incorporated as Oswal Fats & 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 compliances by the companies. Your company has 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 the Depository Participants (D.P.) with whom they are having Demat Account or send the same to the Company via e-mail at : msood@owmnahar.com or share@owmnahar.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 **31st Annual General Meeting** of the members of Nahar Industrial Enterprises Limited will be held on **Wednesday, the 30th day of September, 2015 at 10.00 A.M.** at the Registered Office of the company situated at Focal Point, Ludhiana (Punjab) - 141010 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, 2015 and the reports of Directors and Auditors thereon.
2. To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
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 Auditors of the Company for the financial year 2015-16 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 there under, 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:

5. **To appoint Dr. Vijay Asdhir (DIN: 06671174) 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. Vijay Asdhir (DIN: 06671174), who was appointed as an additional director in the category of Independent Directors w.e.f. 14.02.2015 and who holds the office up to the date of this Annual General Meeting 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

34th Annual General Meeting to be held in the calendar year 2018."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution."

6. **To appoint Sh. Navdeep Sharma (DIN: 00454285) as a Non-Executive 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 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. Navdeep Sharma (DIN: 00454285), who was appointed as an Additional Director of the Company w.e.f. 12th August, 2015 and who holds such office up to the date of this Annual General Meeting and in respect of whom the company has received a notice under the Companies Act, 2013 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution."

7. 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 Textile and Sugar segments for the financial year ending 31st March, 2016, the company do hereby confirm and ratify the remuneration of ₹ 2,64,000/- (Rupees two lacs sixty four 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 such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution."

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 12th August, 2015

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 authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing 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 hereto and forms part of the notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2015 to 30th September, 2015 (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 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
6. Electronic copy of the Annual Report for the year 2014-15 is being sent to all the members who's 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 the 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-110055, 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 2007-08 onwards will be transferred to the above mentioned fund from 4.10.2015 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 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 31st Annual General Meeting of the Company.
- II. The Annual Report is being sent by E-mail to those members who have registered their E-mail address with the Company/Depository Participants. Members who have not registered their E-mail address will receive this Annual Report through permitted mode.
- III. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 27.09.2015 (09.00 AM) and ends on 29.09.2015 (05.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.09.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - (iv) Click on "Shareholders".
 - (v) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.



(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

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

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

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN 150822039 for NAHAR INDUSTRIAL ENTERPRISES LIMITED on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non-individual Shareholders and Custodian:-
• Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

• A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

• After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

• The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

• A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23.09.2015 may follow the same instructions as mentioned above for e-Voting.

(xxi) 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.

IV. A copy of this notice has been placed on the website of the Company and the website of CDSL.

V. The Ballot Form is provided for the benefit of members who do not have access to e-voting facility.

VI. A member can opt for only one mode of voting i.e. either through e-voting or by Ballot Form. If a member votes by both



both modes, the voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.

VII. M/s. P.S.Bathla & Associates, a firm of Company Secretaries in Practice (C.P.No. 2585) have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The Scrutinizer shall upon the conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

VIII. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ownahar.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicate to BSE Limited and National Stock Exchange of India Limited.

IX. Members holding equity shares in electronic form and proxies thereof, are requested to bring their DP ID and client ID for identification.

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

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

Item No. 5

Dr. Vijay Asdhir (DIN: 06671174) has joined the Board of Directors on 14.02.2015 as an additional director in the category of Independent Director. His period of office is not liable to retirement by rotation under the provisions of Companies Act, 2013.

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. Vijay Asdhir as an Independent Director for three years commencing from this Annual General Meeting up to the conclusion of 34th Annual General Meeting to be held in the calendar year 2018. A notice has been received from a member proposing his candidature for the office of Independent Director. Dr. Vijay Asdhir is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Dr. Vijay Asdhir, the non-executive director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149 of the Act. In the opinion of the Board, Dr. Vijay Asdhir fulfils the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Dr. Vijay Asdhir as Independent Director is now being placed before the Members for their approval.

Brief resume of Dr. Vijay Asdhir, the appointee director is as mentioned below:-

Dr. Vijay Asdhir, aged 68 years, is a retired educationist having more than 34 years of experience in teaching and administration. He is Ph.D and a Post Graduate in Commerce. Presently, he is director of Khalsa Institute of Management, Ludhiana.

He is also a Director of Nahar Poly Films Limited and holds no position in any of the Committees of its Board. He is holding nil share in the Company.

Dr. Vijay Asdhir is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment. The relatives of Dr. Vijay Asdhir may be deemed to be interested in the said resolution, 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 the resolution.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

Sh. Navdeep Sharma (DIN: 00454285) was appointed an Additional Director of the Company on 12.8.2015 to hold office up to the next Annual General Meeting of the Company. The company has also received a notice under Companies Act, 2013 from a member of the Company along with requisite deposit signifying his intention to propose the appointment of Sh. Navdeep Sharma. The company has also received consent from Sh. Navdeep Sharma under the Companies Act, 2013 to act as a Director of the Company.

Brief resume of Sh. Navdeep Sharma, the appointee director is as mentioned below:-

Sh. Navdeep Sharma is 56 years of age. He is B.A., LLB and has a vast experience in the field of Taxation.

Name of the Company	Directorship	Committee Membership	
		Audit Committee	Stakeholder Relationship Committee
Oswal Leasing Ltd.	Director	Member	Chairman
Kovalam Investment & Trading Co. Ltd.	Director	Member	Member
Vanaik Investors Ltd.	Director	-	-
Nagdevi Trading & Investment Co. Ltd.	Director	-	-
J L Growth Fund Ltd.	Director	-	-
Palam Motels Ltd.	Director	-	-
Vanaik Spinning Mills Ltd.	Director	-	-
Nahar Financial and Investment Ltd.	Director	-	-
Abhilash Growth Fund Private Ltd.	Director	-	-
Nahar Growth Fund Private Ltd.	Director	-	-
Monica Growth Fund Private Ltd.	Director	-	-
Ruchika Growth Fund Private Ltd.	Director	-	-
Neha Credit & Investment Private Ltd.	Director	-	-
Vigil Investment Private Ltd.	Director	-	-



Sh. Navdeep Sharma is interested in the resolution set out at Item No. 6 of the Notice with regard to his appointment. The relatives of Sh. Navdeep Sharma may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company. He is holding only one share 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 the resolution.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi and remuneration of the Cost Auditors to conduct the audit of cost accounting records of the Textile & Sugar

segments of the Company for the financial year ending 31st March, 2016 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016. The Board recommends the Ordinary Resolution set out at Item No. 7 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. 7 of the

By Order of the Board of Directors

sd/-

Mukesh Sood

Company Secretary

Place : Ludhiana

Date : 12th August, 2015

Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Directors seeking re-appointment

As required under the Listing Agreement, the particulars of Directors who are proposed to be re-appointed are given below:

1. Name Sh. Jawahar Lal Oswal
Age 72 years
Qualification Graduate
Experience Having more than 51 years of experience in the textile and woollen industry.
Shareholding Nil

His Directorship / Membership in the Committees of the Board in other companies is as under:

Sr. No.	Name of the Company	Committee	Status
1.	Oswal Woollen Mills Ltd.	CSR Shareholders	Chairman Chairman
2.	Monte Carlo Fashions Ltd.	CSR Share Transfer Risk Management	Chairman Chairman Chairman
3.	Nahar Poly Films Ltd.	----	----
4.	Nahar Capital & Financial Services Ltd.	----	----
5.	Nahar Spinning Mills Ltd.	----	----
6.	Nagdevi Trading & Investment Co. Ltd.	----	----
7.	Sankheshwar Holding Co. Ltd.	----	----
8.	J L Growth Fund Ltd.	----	----
9.	Neha Credit & Investment Pvt. Ltd.	----	----
10.	Nahar Growth Fund Pvt. Ltd.	----	----
11.	Abhilash Growth Fund Pvt. Ltd.	----	----
12.	Ruchika Growth Fund Pvt. Ltd.	----	----
13.	Monica Growth Fund Pvt. Ltd.	----	----
14.	Crownstar Ltd. (UK)	----	----

2. Name Sh. Dinesh Oswal
Age 50 years
Qualification B.Com
Experience Having more than 29 years of experience in the textile industry.
Shareholding 30

His Directorship / Membership in the Committees of the Board in other companies is as under:

Sr. No.	Name of the Company	Committee	Status
1.	Nahar Spinning Mills Ltd.	Share Transfer CSR	Chairman Chairman
2.	Nahar Poly Films Ltd.	Share Transfer CSR	Chairman Chairman
3.	Nahar Capital & Financial Services Ltd.	Share Transfer CSR	Chairman Chairman
4.	Oswal Woollen Mills Ltd.	----	----
5.	Nahar Industrial Infrastructure Corporation Ltd.	----	----
6.	Atam Vallabh Financiers Ltd.	----	----
7.	Vanaik Investors Ltd.	----	----
8.	Vardhman Investments Ltd.	----	----
9.	Abhilash Growth Fund Pvt. Ltd.	----	----
10.	Crownstar Ltd. (UK)	----	----

**DIRECTORS REPORT**

Dear Members,

Your directors have pleasure in presenting their 31st Annual Report together with the audited financial statements for the financial year ended 31st March, 2015.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2015 is summarised below:

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
Profits Before Depreciation, Finance Cost and Tax	20,488.29	33,125.58
Less: Depreciation	(13,524.06)	(12,030.85)
Less: Finance Cost	(10,487.93)	(10,587.28)
Profits/ (Loss) Before Tax	(3,523.70)	10,507.45
Less: Tax Expense:		
i. Current Tax	77.06	2,220.70
ii. Deferred Tax	(800.08)	1,362.00
Profit / (Loss) for the year	(2,800.68)	6,924.75
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	--	--
Add: Profit/ (Loss) for the year	(2,800.68)	6,924.75
Add : Transfer from Contingent Liability Reserve	799.02	--
Less: Depreciation pursuant to enactment of schedule II of the Companies Act, 2013 (Refer to Note No.-35)	3,348.44	--
Less : Proposed Dividend on Equity shares	--	398.35
Less : Corporate Dividend Tax	--	70.78
Balance Transferred to General Reserve	(5,350.10)	6,455.62

2. PERFORMANCE REVIEW

In view of the Accounting Standard (AS) - 17 (Segment Reporting). The Company operates in two main segments i.e. Textile and Sugar.

i Textile : The textile division accounts for 93.30% of the total turnover of the company for the year ended 31st March, 2015. The Business wise performance of this segment is asunder:

- a. **Yarn:** The Company has produced 69,890 MTs of yarn as against 70,595 MTs in the previous year.
- b. **Fabric:** The Company has produced 702.33 Lacs meters of fabrics (both grey and processed) as against 728.78 Lacs meters in the previous year.

The total turnover of this segment (Yarns and Fabrics) has decreased to ₹ 1,666.85 crores as against ₹1,704.42 crores in the previous year.

ii. Sugar: The Company has produced 393,430 Qtls. of sugar as against 412,720 Qtls. in the previous year. The total turnover of this segment is ₹ 119.58 crores as against ₹ 121.66 crores in the previous year.

Overall Performance

During the year the company has achieved operational income of ₹ 1,807.40 crores as against ₹ 1,854.57 crores. The company has earned Profit before finance cost, Depreciation and tax of ₹ 204.88 crores as against ₹331.26 crores in the previous year. After providing for Finance Cost of ₹104.88 crores (previous year ₹ 105.87 crores), Depreciation of ₹ 135.24 crores (previous year ₹ 120.31 crores) and Tax Expenses of ₹ (7.23) crores (previous year ₹ 35.83 crores) (inclusive of Deferred Tax) the Profit/(Loss) for the year comes to ₹ (28.01) crores as against ₹ 69.25 crores in the previous year.

2014-15 was the challenging year for the Indian Textile industry. There was sluggish demand of the textile products both in the domestic as well as export market due to steep decline in export of cotton yarn to China which has created excess supply in the domestic market and the pressure of finished goods was mounted at mills level, pushed the Companies to sell its products at lower prices which in turn affected the Company's financial performance.



The Sugar Unit of the Company had suffered a Cash Loss of ₹ 2,290 Lacs during the year under review in comparison to the Cash Profit of ₹ 402 Lacs earned during the previous year due to higher MSP of the Sugar Cane (basic Raw material) fixed by the Govt. Our company could not even recover its raw material cost in the realized value of the sugar.

Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing from 1st April, 2014, the Company has recalculated the remaining useful life of fixed assets in accordance with the provisions of Schedule-II of the Act. The depreciation and amortization expenses charged for the year ended 31st March, 2015 would have been lowered by ₹ 1,966.66 Lacs had the company continued with the previously prescribed depreciation rates as per Schedule XIV of the Companies Act, 1956.

3. STATUS OF DISTILLERY PROJECT

The Company is setting up a distillery unit with a capacity of 200 KLPD and 5 MW co-generation power plant at Village Salana Jeon Singh Wala, Tehsil Amloh, District Fatehgarh Sahib in the State of Punjab. After obtaining all necessary approvals for setting up the unit, orders for purchase of plant and machinery was placed and civil construction has also started. Unfortunately, farmers of the nearby area have filed an appeal in the National Green Tribunal (NGT), Delhi challenging Environmental Clearance and the central ground water approval regarding extraction of water through borewells. The Tribunal heard the arguments from both the sides and the order was reserved on 19.3.2015 and the same is pending till date. In the meantime Company has incurred ₹ 16.61 crore as capital expenditure in the project.

4. CREDIT RATING

The rating committee of ICRA Limited has given long term rating as [ICRA] A- (pronounced ICRA A minus). 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).

5. DIVIDEND

Your directors express their inability to recommend dividend for the Financial Year ended on 31st March, 2015 due to loss suffered by the Company.

6. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2015 stood at ₹ 39,83,51,410/- divided into 3,98,35,141 Equity Shares of the face value of ₹ 10/- each. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2015 none of the Promoters / Directors of the Company hold instruments convertible into equity shares of the Company.

7. DEPOSITS

During the year, the Company has not accepted any deposits from the public. As such, there are no outstanding deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements.

9. DIRECTORS

Appointment and Change in Directors

- In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Sh. Jawahar Lal Oswal (DIN: 00463866) and Sh. Dinesh Oswal (DIN: 00607290), Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.
- During the year under review, Sh. Kanwar Sain Maini (DIN: 00454686), an Independent Director of the Company, who was associated with the Company since 30.6.2001 had resigned w.e.f 14.2.2015 from the directorship of the Company. The Board has placed on record its appreciation for the services rendered by him during his tenure as a Director.
- During the year under review, the Company has appointed Dr. Vijay Asdhir (DIN: 06671174) as Additional Director, in the category of an Independent Director, in its Board Meeting held on 14.2.2015 to hold such office up to the date of forthcoming Annual General Meeting of the Company. In the ensuing Annual General Meeting, the Company is appointing Dr. Vijay Asdhir as an Independent Director, not liable to retire by rotation, to hold the office for three consecutive years for a term upto the conclusion of 34th Annual General Meeting to be held in calendar year 2018.
- During the current financial year, Sh. Narayan Dass Jain (DIN: 00493334), a Non-Executive Director of the Company, who was associated with the Company since 30.4.1999 had resigned from the directorship of the Company w.e.f. 11.08.2015. The Board has placed on record its appreciation for the services rendered by him during his tenure as a Director.
- During the current financial year, the Company had appointed Sh. Navdeep Sharma (DIN: 00454285) as Additional Director, in the category of Non-Executive Director in its Board Meeting held on 12.8.2015 to hold



such office up to the date of forthcoming Annual General Meeting of the Company. In the ensuing Annual General Meeting, the Company is appointing Sh. Navdeep Sharma as a Non-Executive Director, who shall be liable to retire by rotation as per the provisions of the Companies Act, 2013.

Declaration by Independent Directors

Necessary declaration has been obtained from all Independent Directors under sub-section (6) of Section 149 of the Companies Act, 2013.

Number of Meetings of the Board

During the year four Board Meetings were convened and held. The details thereof are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013

Appointment and Remuneration Policy

The Board has on recommendation of the Nomination and Remuneration Committee framed a policy for appointment of Directors, Senior Management and their remuneration. The salient features of this policy has been stated in the Corporate Governance Report forming an integral part of the director's report.

Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has devised a policy for performance evaluation of Independent Directors and the Board. This policy on board evaluation is stated in Corporate Governance Report forming an integral part of the director's report.

Independent Director's Meeting

During the financial year 2014-15, the independent directors met on 30.03.2015 inter-alia to discuss:

- (i) the performance of non-independent directors and the Board as a whole;
- (ii) the performance of the chairman of the Company, taking into account views of executive and non-executive directors and
- (iii) to access the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent directors were present at the meeting except Dr. Amrik Singh Sohi.

10. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) & (5) of the Companies Act, 2013:-

- a) that in the preparation of the Annual Accounts for the year ended on 31st March, 2015, the applicable accounting standards have 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 as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that annual accounts have been prepared on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure-A** and forms an integral part of this Report.

12. RELATED PARTY TRANSACTIONS

The Company has not entered into any contract or arrangement with Related Parties/ group companies other than in ordinary course of business. During the financial year under review, all transactions entered into with Related Parties as defined under the Companies Act, 2013 and clause 49 of the Listing Agreement were in the ordinary course of business and are at arm's length basis. These transactions were entered into as per the Company's Policy on Related Party Transactions and are approved by the Audit Committee, Board and also by Shareholders. The company's policy on Related Party Transactions is available at the weblink: www.ownnahar.com/nahar_ie/pdf/RPT_Policy.pdf The details of Related Parties Transactions are given in note no 38 of the Notes to Financial Statements. Pursuant to the provisions of section 134(3) Form AOC-2 is annexed herewith in **Annexure-B**.

13. AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 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 Dr. Vijay Asdhir is the Chairman of the Audit Committee. The detailed information regarding Audit Committee and its terms of reference is given in Corporate Governance Report forming an integral part of the director's report.

**14. RISK MANAGEMENT**

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect the ability of company to achieve its objectives. The Audit Committee has also been delegated the responsibility for assessment, mitigation, monitoring and review of all elements of risks which the Company may be exposed to. The Board also reviews the risk management and minimization procedures.

15. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Board adopted a Vigil Mechanism/ Whistle Blower Policy as per clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013 to report genuine concerns or grievances about unethical behavior of employees, actual or suspected fraud or violation of the Company's Code of Conduct. The Company's Vigil mechanism/ Whistle Blower Policy is available at the Company's website i.e. www.owmnahar.com.

16. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company is having adequate internal control systems and procedures which 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. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company has constituted a Corporate Social Responsibility (CSR) Committee of the board with Mr. Kamal Oswal as its Chairman and Mr. Dinesh Gogna & Mr. Yash Paul Sachdeva as its members. The Corporate Social Responsibility Committee (CSR) has formulated and recommended to the board Corporate Social Responsibility Policy (CSR Policy) mentioning the activities to be undertaken by the Company which has been approved by the board. The CSR policy may be accessed on the Company's website i.e. www.owmnahar.com. The Annual Report on CSR activities is annexed herewith marked as **Annexure-C**. During financial year 2014-15 no expenditure was incurred because the board was in the process of identifying specific projects/ programs for undertaking CSR activities. The company was undertaking surveys for identifying the projects in thematic areas. The company, therefore, decided to undertake its CSR activities in collaboration with our Group companies, under one umbrella, i.e. through Oswal Foundation, which is a Registered Society formed in 2006 having its charitable

objects in various fields. Our Company has already started contributing the sum for the expenditure to be incurred by the said Oswal Foundation on CSR activities. Till date the Oswal Foundation has incurred the expenditure on a project to save water pollution on Sidhwan Canal, near PAU, Ludhiana. The said Society has also adopted two govt. Schools situated at Giaspura & Dhandari Khurd, Distt. Ludhiana for promoting education. The said projects will be undertaken in the current financial year. The Foundation has already obtained permission from the Education Department in this regard.

19. NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report forming an integral part of this report.

20. AUDITORS**i. STATUTORY AUDIT & AUDITOR'S 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. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The auditor's report on the accounts of the Company is self-explanatory and requires no comments.

ii. COST AUDITOR & COST AUDIT REPORT

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its textiles and sugar segments are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi to audit the cost accounts of the Company for the financial year 2015-16. The cost audit report for the financial year 2013-14 was filed with the Ministry of Corporate Affairs on 22nd September, 2014.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants is included in the Notice convening the Annual General Meeting.

**iii. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s. P.S.Bathla & Associates, a firm of Company Secretaries in Practice (C.P. No. 2585) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is attached as **Annexure-D** and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

21. KEY MANAGERIAL PERSONNEL

During the period under review, the following persons were included/appointed in the list of Key Managerial Personnel:

Sr. No.	Name	Designation
1.	Sh. Kamal Oswal	Managing Director
2.	Sh. Bharat Bhushan Gupta	Chief Financial Officer
3.	Sh. Mukesh Sood	Company Secretary

22. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forming part of the Directors' Report for the year ended 31st March, 2015 is given in the **Annexure-E** of this Report. None of the employees of the Company is covered under section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-F**.

24. 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 confirming compliance is attached herewith as **Annexure-G** and forms part of this Report.

25. ASSOCIATE COMPANIES

Pursuant to section 129(3) of the Companies Act, 2013 a statement containing salient features of financial statements of Associate Companies in Form AOC-1 is annexed with financial Statements.

26. INDUSTRIAL RELATIONS

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

27. 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: 12.08.2015**

**Jawahar Lal Oswal
Chairman**

**ANNEXURE - A****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i) CIN	: L15143PB1983PLC018321
ii) Registration Date	: 27/09/1983
iii) Name of the Company	: Nahar Industrial Enterprises Limited
iv) Category / Sub-Category of the Company	: Company Limited by Shares/ Indian Non- Government Company
v) Address of the Registered office and contact details	: Focal Point, Ludhiana- 141010. Phone: 0161-2672590-591, E-mail : msood@owmnahar.com
vi) Whether listed company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: Alankit Assignments Limited (Unit: Nahar Industrial Enterprises Limited) Alankit House, 1E/13, Jhandewalan Extension, New Delhi- 110 055 Phone: 011-42541234, Fax No.: 011-42541201, 23552001, E-mail : rta@alankit.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Yarn	1409	51.47%
2.	Fabrics	1418	41.83%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Cotton County Retail Limited Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana - 141 010	U51311PB2001PLC024753	Associate	49.99%	Section 2(6)
2.	J.L. Growth Fund Limited 105, Ashoka Estates, 24, Barakhamba Road, New Delhi – 110 001	U74999DL1991PLC043054	Associate	41.10%	Section 2(6)
3.	Vardhman Investments Limited 105, Ashoka Estates, 24, Barakhamba Road, New Delhi – 110 001	U74899DL1972PLC006181	Associate	47.17%	Section 2(6)
4.	Atam Vallabh Financiers Limited 105, Ashoka Estates, 24, Barakhamba Road, New Delhi – 110 001	U67120DL1972PLC006180	Associate	36.85%	Section 2(6)



IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year (As on 01/04/2014)				No. of shares held at the end of the year (As on 31/03/2015)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Promoters									
1. Indian									
a) Individual/HUF	1324	-	1324	-	1324	-	1324	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	26935560	-	26935560	67.62	27137877	-	27137877	68.13	0.51
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Subtotal (A)(1)	26936884	-	26936884	67.62	27139201	-	27139201	68.13	0.51
2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Subtotal (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	26936884	-	26936884	67.62	27139201	-	27139201	68.13	0.51
(B) Public Shareholding									
1) Institutions									
a) Mutual Fund/UTI	4938	13614	18552	0.05	4938	13414	18352	0.05	-
b) Banks/FI	3714	4921	8635	0.02	100	4921	5021	0.01	-0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	169463	-	169463	0.43	169463	-	169463	0.43	-
g) FII's	-	112	112	-	-	112	112	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (NRI/OCB)	48578	264358	312936	0.79	45111	263051	308162	0.77	-0.01
Sub total (B)(1)	226693	283005	509698	1.28	219612	281498	501110	1.26	-0.02
2) Non-Institutions									
a) Bodies Corporate									
I. Indian	507402	38772	546174	1.37	427228	38772	466000	1.17	-0.20
II. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I. Individual shareholder holding nominal share capital upto Rs. 1 Lakh	3312020	3323762	6635782	16.66	3203956	3267632	6471588	16.25	-0.41
II. Individual shareholder holding nominal share capital in excess of Rs. 1 lakh	5206603	-	5206603	13.07	5257242	-	5257242	13.20	0.13
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	9026025	3362534	12388559	31.10	8888426	3306404	12194830	30.61	-0.49
Total Public Shareholding (B)=(B)(1)+(B)(2)	9252718	3645539	12898257	32.38	9108038	3587902	12695940	31.87	-0.51
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36189602	3645539	39835141	100	36247239	3587902	39835141	100	-


(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01/04/2014)			Shareholding at the end of the year (As on 31/03/2015)			% change in shareholding during the year
		No. Of Share	% of total shares of the Company	% of shares Pledged/encumbered of total shares	No. Of Shares	% of total shares of the Company	% of shares Pledged/encumbered of total shares	
1	Nahar Capital & Financial Services Ltd.	9336745	23.44	-	9336745	23.44	-	-
2	J L Growth Fund Ltd.	3421836	8.59	-	3421836	8.59	-	-
3	Nahar Poly Films Ltd.	2708800	6.80	-	2708800	6.80	-	-
4	Vardhman Investments Ltd.	2277955	5.72	-	2277955	5.72	-	-
5	Oswal Woollen Mills Ltd.	1956829	4.91	-	2094819	5.26	-	0.35
6	Nagdevi Trading & Investment Co. Ltd.	2150608	5.40	-	2273625	5.71	-	0.31
7	Atam Vallabh Financiers Ltd.	1691364	4.25	-	1691364	4.25	-	-
8	Kovalam Investment & Trading Co. Ltd.	1989620	4.99	-	2068920	5.19	-	0.20
9	Sankheshwar Holding Co. Ltd.	549842	1.38	-	549842	1.38	-	-
10	Vanaik Investors Ltd.	287987	0.72	-	287987	0.72	-	-
11	Nahar Growth Fund Pvt. Ltd.	151785	0.38	-	151785	0.38	-	-
12	Nahar Financial & Investment Ltd.	150870	0.38	-	150870	0.38	-	-
13	Ludhiana Holdings Ltd.	137990	0.35	-	-	-	-	-0.35
14	Neha Credit & Investment Pvt. Ltd.	80654	0.20	-	80654	0.20	-	-
15	Abhilash Growth Fund Pvt. Ltd.	42675	0.11	-	42675	0.11	-	-
16	Sh. Kamal Oswal	1294	-	-	1294	-	-	-
17	Sh. Dinesh Oswal	30	-	-	30	-	-	-
	Total	26936884	67.62	-	27139201	68.13	-	0.51

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

Sr. No.	Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the Company	No. Of Shares	% of total shares of the Company
1.	Oswal Woollen Mills Limited At the beginning of Year Amalgamation of Ludhiana Holding Ltd. with the Company At the end of the Year	1956829 137990 -	4.91 0.35 -	1956829 2094819 2094819	4.91 5.26 5.26
2	Ludhiana Holdings Limited At the beginning of Year Amalgamation with Oswal Woollen Mills Limited At the end of the Year	137990 -137990 -	0.35 -0.35 -	137990 - -	0.35 - -
3	Nagdevi Trading & Investment Co. Limited At the beginning of Year Market Purchase date: 23.06.2014 to 30.07.2014 At the end of the Year	2150608 123017 -	5.40 0.31 -	2150608 2273625 2273625	5.40 5.71 5.71
4	Kovalam Investment & Trading Co. Limited At the beginning of Year Market Purchase date: 23.06.2014 to 30.07.2014 At the end of the Year	1989620 79300 -	4.99 0.20 -	1989620 2068920 2068920	4.99 5.19 5.19

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Shareholding at the end of the Year	
		No. Of Shares	% of total shares of the Company	No. Of Shares	% of total shares of the Company
1	Mr. Ashish Dhwan	2590124	6.50	2590124	6.50
2	Mr. Jatinder Nath Jhamb	395500	0.99	195500	0.49
3	Mr. Tara Chand Jain	266927	0.67	254686	0.64
4	Mr. Vinodchandra Mansukhlal Parekh	185847	0.47	185847	0.47
5	Mr. Shaunak Jagdish Shah	-	-	150118	0.38
6	Mr. Zafar Ahmadullah	125000	0.31	125000	0.31
7	Ms. Sangeetha S	122550	0.31	130480	0.33
8	Ms. Vandana Sehgal	119764	0.30	135174	0.34
9	Mr. Rakesh Rajkrishan Aggarwal	99000	0.25	99000	0.25
10	Mr. Ajay Parakh	93719	0.24	93020	0.23



(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Designation	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
			No. Of Shares	% of total shares of the Company	No. Of Shares	% of total shares of the Company
1	Sh. Kamal Oswal	Managing Director	1294	-	1294	-
2	Sh. Dinesh Oswal	Director	30	-	30	-
3.	Sh. Dinesh Gogna	Director	105	-	105	-
4.	Sh. Narayan Dass Jain	Director	185	-	185	-
5.	Sh. Bharat Bhushan Gupta	CFO	205	-	205	-
6.	Sh. Mukesh Sood	CS	-	-	-	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in '000)

Particulars	Secured Loan excluding deposits	Un-secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
I. Principal Amount	6000758	421401	-	6422159
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	6000758	421401	-	6422159
Change in Indebtedness during the Financial Year				
• Additions	764460	83997	-	848457
• Reduction	1633521	-	-	1633521
• Net Change	-869061	83997	-	-785064
Indebtedness at the end of the Financial Year				
I. Principal Amount	5131697	505398	-	5637095
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	5131697	505398	-	5637095

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Sh. Kamal Oswal Vice Chairman-cum- Managing Director	
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	26,88,000/-	26,88,000/-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of profit	-	-
	- Other, specify	-	-
5.	Others, please specify	-	-
	Total (A)	26,88,000/-	26,88,000/-



B. Remuneration to Other Directors

Sr.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr.(Mrs.) Harbhajan Kaur Bal	Prof. Kanwar Sain Maini*	Dr. Yash Paul Sachdeva	Dr. Amrik Singh Sohi	Sh. Ajit Singh Chatha	Dr. Vijay Asdhir**	
1.	Independent Directors							
	a) Fee for attending board meeting	35000/-	25000/-	35000/-	35000/-	35000/-	10000/-	175000/-
	b) Commission	-	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	35000/-	25000/-	35000/-	35000/-	35000/-	10000/-	175000/-
2.	Other Non-Executive Directors							
	a) Fee for attending board meeting	25000/-	35000/-	35000/-	35000/-	35000/-	35000/-	130000/-
	b) Commission	-	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-	-
	Total (2)	25000/-	35000/-	35000/-	35000/-	35000/-	35000/-	130000/-
	Total Managerial Remuneration (Total (B) = (1+2))							305000/-
	Overall ceiling as per the Act							N/A

* Resigned w.e.f. 14/02/2015

** Appointed as an Additional Director w.e.f. 14/02/2015

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sr.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mr. Mukesh Sood	Mr. Bharat Bhushan Gupta	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1377606/-	1464273/-	2841879/-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	39546/-	88580/-	128126/-
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
	Total (1)	1417152/-	1552853/-	2970005/-

VII PENALITES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fee Imposed	Authority (RD/ NCLT/ COURT)	Appeal made if any, (give details)
A. COMPANY					
Penalty	--	--	NONE	--	--
Punishment					
Compounding					
B. DIRECTORS					
Penalty	--	--	NONE	--	--
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	NONE	--	--
Punishment					
Compounding					



ANNEXURE-B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of Approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-----No such Transaction-----							

2. Details of material contracts or arrangement or transactions(2014-15) at arm's length basis

(₹ in lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advances , if any
(a)	(b)	(c)	(d)	(e)	(f)
Oswal Woollen Mills Ltd.	Purchase of Goods	2014-15	4403.20	Not Required	
	Sale of Goods		26703.90		
	Sale of Fixed Asset		16.97		
	Sale of FMP/FMS License		133.27		
	Rent Received		8.45		
	Processing Charges Received		333.87		
Nahar Spinning Mills Ltd.	Purchase of Goods	2014-15	952.84	Not Required	
	Sale of Goods		151.47		
Monte Carlo Fashions Ltd.	Purchase of Goods	2014-15	0.48	Not Required	
	Sale of Goods		558.33		
	Rent Received		19.71		
Cotton County Retail Ltd.	Purchase of Goods	2014-15	16.20	Not Required	
	Sale of Goods		1146.74		
	Rent Received		14.83		
Vanaik Spinning Mills Ltd.	Purchase of Goods	2014-15	46.45	Not Required	
	Sale of FMP/FMS License		133.93		
Nahar Industrial Infrastructure Corporation Ltd.	Purchase of Fixed Asset	2014-15	74.44	Not Required	
J.L. Growth Fund Ltd.	Rent Paid	2014-15	19.33	Not Required	
Hug Foods Pvt. Ltd.	Rent Received	2014-15	1.35	Not Required	
Sh. Kamal Oswal	Rent Received	2014-15	15.00	Not Required	

**ANNEXURE-C****Annual Report on Corporate Social Responsibility (CSR) Activities**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Corporate Social Responsibility (CSR) is the contribution from the corporate towards social and economic development of society. Company will undertake project/ activities under Corporate Social Responsibility as specified in the Schedule VII of the Companies Act, 2013. The thrust areas for CSR include Medical Relief & Research activities falling under promoting health; Environment Protection activities; Promotion of Educational activities; and Social Up-liftment. The CSR policy may be accessed at company's website at the weblink : www.ownahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf.

2. The Composition of CSR Committee: Sh. Kamal Oswal, Chairman
Sh. Dinesh Gogna, Member
Dr. Yash Paul Sachdeva, Member
3. Average net profit of the Company for last three financial years: ₹ 2028.07 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 40.56 Lacs
5. Details of CSR spent during the financial year:
- (a) Total amount spent for the financial year: Nil
- (b) Amount Unspent, if any: ₹ 40.56 Lacs

Manner in which the amount spent during the financial year is detailed below:

CSR Project/ Activity	Sector	Location of the Project	Amount Outlay (budget). Project or program wise	Amount spent on the Project or Programs. Sub Heads: 1. Direct Expenditure on Projects or programme 2. Overheads	Commutative Expenditure up to the Reporting period.	Amount Spent: Direct or through Implementing Agency
--	--	--	--	--	--	--

Details of Implementing Agency: Oswal Foundation ('OSF')

6. Reason for not spending the amount:

As the Board was in the process of identifying specific projects/ programs for undertaking CSR activities, in the financial year 2014-15, the company could not spend any money on the CSR Activities but in the current year, the company has contributed ₹ 5.00 Lacs for the expenditure to be incurred by Oswal Foundation for CSR activities as explained in the Directors Report.

7. The members of CSR committee hereby states that the implementation and monitoring of CSR Policy is in compliance with CSR Objective and Policy of the Company.

Sd/-
Sh. Kamal Oswal
(Managing Director &
Chairman, CSR Committee)

**Form No. MR-3
SECRETARIAL AUDIT REPORT****ANNEXURE-D**

For the financial year- 1st April, 2014 to 31st March, 2015

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

To,
**The Members,
Nahar Industrial Enterprises Limited
Focal Point, Ludhiana-141010, Punjab**

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1st April, 2014 to 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Nahar Industrial Enterprises Limited ("The Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye- laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- VI. Factories Act, 1948, Industrial Dispute Act, 1947, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employees State Insurance Act, 1948, The Employees Provident Fund & Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition) Act, 1970, The Maternity Benefit Act, 1961, The Child Labour (Prohibition & Regulation) Act, 1986, The Industrial Employment (Standing Orders) Act, 1946, The Employees Compensation Act, 1923, The Apprentices Act, 1961, Equal Remuneration Act, 1976, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956, The Environment (Protection) Act, 1986, The Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008, The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981. have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India are to be followed for the meetings to be held on 1st July, 2015 or thereafter as the case may be by all companies and thus were not enforceable on the company for the period under review.



(ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd. Mumbai. During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The Changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For P S Bathla & Associates

**Parminder Singh Bathla
Company Secretary
FCS No. 4391, C.P No. 2585**

Place : Ludhiana
Date: 12th August, 2015

**SCO-6, Feroze Gandhi Market,
Ludhiana**

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

Annexure A

**To,
The Members,
Nahar Industrial Enterprises Limited
Focal Point, Ludhiana-141010, Punjab**

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

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

For P S Bathla & Associates

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

Place : Ludhiana
Date: 12th August, 2015



ANNEXURE-E

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

- (i) The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15. (₹ in lacs)	% increase in Remuneration in the Financial year 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Sh. Jawahar Lal Oswal (Chairman)	0.25*	150	0.32	} Net Loss for the year 2014-15 is ₹ 2800.68 lacs as compared to Net Profit of ₹ 6924.75 lacs in the year 2013-14
2.	Sh. Dinesh Oswal (Non-Executive Director)	0.35*	75	0.45	
3.	Sh. Dinesh Gogna (Non-Executive Director)	0.35*	75	0.45	
4.	Sh. Narayan Dass Jain (Non-Executive Director)	0.35*	133.33	0.45	
5.	Dr. (Mrs) Harbhajan Kaur Bal (Non-Executive Director)	0.35*	133.33	0.45	
6.	#Prof. Kanwar Sain Maini (Non-Executive Director)	0.25*	25	0.32	
7.	Dr. Yash Paul Sachdeva (Non-Executive Director)	0.35*	75	0.45	
8.	Sh. Amrik Singh Sohi (Non-Executive Director)	0.35*	133.33	0.45	
9.	Sh. Ajit Singh Chatha (Non-Executive Director)	0.35*	75	0.45	
10.	**Sh. Vijay Asdhir (Non-Executive Director)	0.10*	---	0.13	
11.	Sh. Kamal Oswal (Managing Director)	26.88	None	34.52	
12.	Sh. Bharat Bhushan Gupta (Chief Financial Officer)	15.53	5.11	19.94	
13.	Sh. Mukesh Sood (Company Secretary)	14.17	16.52	18.20	

*Sitting Fee paid for attending the Board Meetings.

**Sh. Vijay Asdhir was appointed as an Additional Director in the category of Independent Director on 14.2.2015.

Prof. Kanwar Sain Maini has resigned from the directorship of the company w.e.f. 14.2.2015.

- (ii) In the financial year, there was an increase of 8 % in the median remuneration of employees.
- (iii) There were 11476 permanent employees on the rolls of Company as on 31st March, 2015.
- (iv) Relationship between average increase in remuneration and company performance:- The Company incurred a Net Loss for the year 2014-15 of ₹ 2800.68 lacs, whereas the increase in median remuneration was 8 %. The average increase in median remuneration increased whereas the profit after tax declined.
- (v) (a) Variations in the market capitalization of the Company: The market capitalization as on 31st March, 2015 was ₹ 17527.46 lacs (₹ 21550.81 lacs as on 31st March, 2014).
- (b) Price Earnings ratio of the Company as at 31st March, 2015 and as at 31st March, 2014 - Not Applicable as the profit is Nil.
- (c) Percent increase over / decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year:
The company has not made any public issue or rights issue of securities in the recent past, so comparison has not been made of current share price with public offer price. The Company's shares are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE)
- (vi) Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year i.e. 2014-15 was 12 % whereas the increase in the key managerial remuneration for the same financial year was 5.14%.
- (vii) There are no variable component of remuneration availed by the directors.
- (viii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable; and
- (ix) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**ANNEXURE-F****Particulars of Energy Conversation , Technology Absorption and Foreign Exchange Earning and Outgo required under the Companies (Accounts) Rules, 2014****A CONSERVATION OF ENERGY:**

- i) The steps taken or impact on conservation of energy :-
 - 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 conversation.
 - 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 there by reduction in cost of production.

B TECHNOLOGY ABSORPTION

- 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 : -
 - (a) The details of technology imported :- Nil
 - (b) The year of import :- N.A
 - (c) Whether the technology been fully absorbed N.A

	Current Year	Previous Year
(iv) The expenditure incurred on Research and Development		(₹ in Lacs)
a) Capital	7.03	272.64
b) Recurring	32.69	44.17
Total	<u>39.72</u>	<u>316.81</u>

C FOREIGN EXCHANGE EARNING & OUTGO

	Current Year	Previous Year
i) Total foreign exchange earnings and outgo:		(₹ in Lacs)
Earnings	18,718.06	23,961.07
Outgo	3,298.20	4,000.83



CORPORATE GOVERNANCE REPORT

ANNEXURE-G

1. 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. NIEL continue to follow procedures and practices of Corporate Governance in compliance with the requirements of Clause 49 of the Listing Agreement. Thus, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Board and Senior Management
- Code of Conduct for Prohibition of Insider Trading
- Vigil Mechanism/ Whistle Blower Policy
- Policy for transaction with Related Parties
- Corporate Social Responsibility Policy

2. Board of Directors

A. Information relating to Directors

- i. As on 31st March, 2015 the Board of NIEL consists of ten directors. The Board 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 the clause 49 of Listing Agreement.
- ii. The Board met 4 (four) times during the period April, 2014 to March, 2015 on - 28.05.2014, 11.08.2014, 14.11.2014 & 14.02.2015 with a clearly defined agenda. The maximum time gap between any two board meetings was less than 120 days.
- iii. 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 31.03.2015 are presented hereunder:

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	3	No	8	--	--
Sh. Kamal Oswal#	Vice Chairman cum Mg. Director	Promoter Executive Director	4	4	No	9	1	1
Sh. Dinesh Oswal#	Director	Promoter Non Executive Director	4	4	Yes	8	--	--
Sh. Dinesh Gogna	Director	Non Executive Director	4	4	No	8	6	2
Sh. Narayan Dass Jain+	Director	Non Executive Director	4	4	No	1	--	--
Dr. (Mrs.) H. K. Bal	Director	Independent Director	4	4	No	5	6	2
Prof. K. S. Maini*	Director	Independent Director	3	3	Yes	--	--	--
Dr. Y. P. Sachdeva	Director	Independent Director	4	4	No	6	8	1
Dr. A. S. Sohi	Director	Independent Director	4	4	No	3	3	1
Sh. Ajit Singh Chatha	Director	Independent Director	4	4	No	6	2	--
Dr. Vijay Asdhir**	Additional Director	Independent Director	1	1	No	1	1	1

*Prof. K. S. Maini has resigned from the directorship of the Company w.e.f. 14.02.2015.

**Dr. Vijay Asdhir, has been appointed as an Additional Director in the category of Independent Director w.e.f. 14.02.2015.

#Sh. Jawahar Lal Oswal, Sh. Kamal Oswal and Sh. Dinesh Oswal are related among themselves. None of the other director is related to any other director of the Company.

+ Sh. Narayan Dass Jain has resigned from the directorship of the company w.e.f. 11.08.2015 and Sh. Navdeep Sharma has been appointed as an Additional Director of the company w.e.f. 12.08.2015.

B. Shareholding of Non Executive Directors

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

**C. Details of Familiarisation Programme for Independent Directors**

At the time of appointment of a director a formal letter of appointment is given to the appointee director which inter alia explains the role, functions, duties and responsibilities expected of him as a director of the Company. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's Procedures and Policies. Directors are having access to all documents/ information needed for good understanding of the Company, its operations and the industry in which it operates. The Company has put in place a system to familiarize its Independent Directors with the Company which is available at the weblink : www.owmnahar.com/nahar_ie/pdf/Familiarization_Programme.pdf.

D. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has devised a criteria for performance evaluation of Independent Directors and the Board. The evaluation was carried out through a structured evaluation process i.e. Knowledge to perform the role; Time and level of participation; Performance of duties and level of oversight; and Professional conduct and independence. The Board was satisfied with the evaluation process.

E. Remuneration to Directors

All the non-executive directors receive sitting fee for attending the Board Meetings. Sh. Kamal Oswal, Managing Director who is also the Managing Director of Oswal Woollen Mills Limited, receives salary, allowances, perquisites as approved by the Nomination and Remuneration Committee, Board of Directors and Shareholders. There has been no materially pecuniary relationship or transaction between the Company and its Directors in the financial year under review. The details of remuneration paid to the directors for the financial year 2014-15 are given below: (Amount in ₹)

Name of the Directors	Sitting Fee	Salary, Allowance & Perquisites	Performance Incentives	Commission	Total
Sh. Jawahar Lal Oswal	25000/-	Nil	Nil	Nil	25000/-
Sh. Kamal Oswal	Nil	2688000/-	Nil	Nil	2688000/-
Sh. Dinesh Oswal	35000/-	Nil	Nil	Nil	35000/-
Sh. Dinesh Gogna	35000/-	Nil	Nil	Nil	35000/-
Sh. Naryan Dass Jain+	35000/-	Nil	Nil	Nil	35000/-
Dr.(Mrs.) H. K. Bal	35000/-	Nil	Nil	Nil	35000/-
Prof. K. S. Maini *	25000/-	Nil	Nil	Nil	25000/-
Dr. Yash Paul Sachdeva	35000/-	Nil	Nil	Nil	35000/-
Dr. Amrik Singh Sohi	35000/-	Nil	Nil	Nil	35000/-
Sh. Ajit Singh Chatha	35000/-	Nil	Nil	Nil	35000/-
Dr. Vijay Asdhir **	10000/-	Nil	Nil	Nil	10000/-

*Prof. K. S. Maini has resigned from the directorship of the Company w.e.f. 14.02.2015.

** Dr. Vijay Asdhir, has been appointed as an Additional Director in the category of Independent Director w.e.f. 14.02.2015

+ Sh. Narayan Dass Jain has resigned from the directorship of the company w.e.f. 11.08.2015.

F. 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.

G. 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 at the weblink : http://owmnahar.com/nahar_ie/pdf/Code_of_Conduct_NIEL.pdf. 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 2014-15.

Place : Ludhiana
Dated : 12.08.2015

Kamal Oswal
Vice Chairman-cum-Managing Director

**3. Board Level Committees**

The Board of Directors of the Company has constituted various committees to deal with specific areas which concern the Company. These committees are formed as per the provisions of applicable laws and play an important role in management and governance of the Company. The Board has currently the following committees:

A. Audit Committee

The Company has formed an Audit Committee of the Board of Directors of the Company. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement. The Board of Directors in their meeting held on 14.02.2015 has re-constituted the Audit Committee upon the resignation of Prof. K.S. Maini from the directorship of the company. Dr. Vijay Asdhir was appointed as chairman of the Audit Committee.

Mr. B.B. Gupta, Chief Financial Officer 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, 2014 to March, 2015 i.e. 28.05.2014, 11.08.2014, 14.11.2014 & 14.02.2015 and the attendance of each member is as under:

Name of the Members	Status	Category	No. of Meetings Held	No. of meetings Attended
Sh. Dinesh Gogna	Member	Non-Executive Director	4	4
Prof. K. S. Maini*	Chairman	Non-Executive Independent Director	4	4
Dr. (Mrs.) H. K. Bal	Member	Non-Executive Independent Director	4	4

*Prof. K.S. Maini has resigned from the directorship of the Company w.e.f. 14.02.2015

Terms of Reference:

The Audit Committee inter alia review the financial reporting system, internal control system, discussion on quarterly, half yearly and annual financial results, interaction with statutory and cost auditors and recommendation for the appointment and remuneration of statutory, internal and cost auditors, Management Discussions and Analysis, review of Internal Audit Reports, Related Party Transactions and carrying out any other functions as is mentioned in the terms of reference of the Audit Committee as per Companies Act, 2013 and Listing Agreement of Stock Exchanges. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. The Audit Committee also oversees and reviews the functioning of Vigil Mechanism/ Whistle Blower Policy.

B. Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee of the Company is as per the provisions of section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement. The Committee consists 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 11.08.2014 and 14.02.2015 in the Financial year 2014-15 and all the members were present in the meeting. The Board of Directors in their meeting held on 14.02.2015 has re-constituted the Nomination and Remuneration Committee upon the resignation of Prof. K.S. Maini from the directorship of the company. Dr. Vijay Asdhir was appointed as chairman of the Committee.

The role of Nomination and Remuneration Committee is:

- to determine/recommend the criteria for appointment and remuneration of Executive, Non-Executive and Independent Directors to the Board;
- to determine/ recommend the criteria for qualifications, positive attributes and independence of Director;
- to formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole;
- and other matters as provided under Companies Act, 2013 and Listing Agreement.

C. Stakeholders Relationship Committee

The composition of Stakeholders Relationship committee of the Company is as per the provisions of section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement. 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 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 Board of Directors in their meeting held on 14.02.2015 has re-constituted the Stakeholders Relationship Committee upon the resignation of Prof. K.S. Maini from the directorship of the company. Dr. Vijay Asdhir was appointed as a member of the Committee. The Committee met 4 (four) times during the period April, 2014 to March, 2015 i.e. 28.05.2014, 11.08.2014, 14.11.2014 & 14.02.2015 in the financial year 2014-15 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

*Prof. K.S. Maini has resigned from the directorship of the Company w.e.f 14.02.2015

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	113	Nil
Non Receipt of Annual Reports etc.	Nil	6	Nil
Total	Nil	138	Nil

D. CSR Committee

The Company has constituted a CSR committee pursuant to the requirements of section 135 of the Companies Act, 2013 consisting of Sh. Kamal Oswal, Chairman, Sh. Dinesh Gogna and Dr. Yash Paul Sachdeva as the members. The Board has approved a policy on Corporate Social Responsibility which is available at the official website of the Company. Information regarding CSR is mentioned in the Director's Report.

4. General Body Meeting

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

Financial Year	Location	Date	Time	No. of Special Resolutions
2011-12	Registered Office	29.09.2012	11.45 A.M.	1
2012-13	Registered Office	30.09.2013	11.45 A.M.	1
2013-14	Registered Office	30.09.2014	2.00 P.M.	1

5. Postal Ballot

During the year, notice dated 14.02.2015 was given to the shareholders of the Company pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 to seek their approval by way of postal ballot and/or e-voting in respect of resolutions contained in Special Business given therein. The Board of Directors had appointed M/s. P.S. Bathla & Associates, Practicing Company Secretaries, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The result of the Postal Ballots was declared on 30.03.2015 at the registered office of the Company and was placed, alongwith the scrutinizer report, on the Company's website at www.ownahar.com besides communicated to the BSE Limited and the National Stock Exchange of India Limited where the equity shares of the Company are listed. The result of Postal Ballot is as under:

A. Special Resolution under Section 4 and 13 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 for alteration of Object Clause of the Memorandum of Association of the Company.

Promoter/Public	No. of Shares held	No. of Shares Polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of Votes - Against	% of votes in favour on votes polled	% of votes against on votes polled
	1	2	3 = (2/1*100)	4	5	6 = (4/2*100)	7 = (5/2*100)
Promoter and Promoter Group	27139201	27139171	100.00	27139171	0	100.00	0
Public - Institutional Holder	196562	30690	15.61	30690	0	100.00	0
Public - Other	12499378	317223	2.54	317108	115	99.96	0.04
TOTAL	39835141	27487084	69.00	27486969	115	100.00	0.00

B. Special Resolution under section 4 and 13 of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 for the alteration of Liability Clause of Memorandum of Association of the Company.

Promoter/Public	No. of Shares held	No. of Shares Polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of Votes - Against	% of votes in favour on votes polled	% of votes against on votes polled
	1	2	3 = (2/1*100)	4	5	6 = (4/2*100)	7 = (5/2*100)
Promoter and Promoter Group	27139201	27139171	100.00	27139171	0	100.00	0
Public - Institutional Holder	196562	30690	15.61	30690	0	100.00	0
Public - Other	12499378	317223	2.54	316971	252	99.92	0.08
TOTAL	39835141	27487084	69.00	27486832	252	100.00	0.00



C. Special Resolution under section 4 and 13 of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, for the alteration of Capital Clause of the Memorandum of Association of the Company.

Promoter/Public	No. of Shares held	No. of Shares Polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of Votes - Against	% of votes in favour on votes polled	% of votes against on votes polled
	1	2	3 = (2/1*100)	4	5	6 = (4/2*100)	7 = (5/2*100)
Promoter and Promoter Group	27139201	27139171	100.00	27139171	0	100.00	0
Public - Institutional Holder	196562	30690	15.61	30690	0	100.00	0
Public - Other	12499378	317223	2.54	316970	253	99.92	0.08
TOTAL	39835141	27487084	69.00	27486831	253	100.00	0.00

D. Special Resolution under Section 14 of the Companies Act, 2013 for adoption of new set of Articles of Association of the Company by replacing all the existing regulations with the new regulations.

Promoter/Public	No. of Shares held	No. of Shares Polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of Votes - Against	% of votes in favour on votes polled	% of votes against on votes polled
	1	2	3 = (2/1*100)	4	5	6 = (4/2*100)	7 = (5/2*100)
Promoter and Promoter Group	27139201	27139171	100.00	27139171	0	100.00	0
Public - Institutional Holder	196562	30690	15.61	30690	0	100.00	0
Public - Other	12499378	317223	2.54	317107	116	99.96	0.04
TOTAL	39835141	27487084	69.00	27486968	116	100.00	0.00

E. Special Resolution under section 188 of the Companies Act, 2013 for entering into agreements/Contracts/ Transactions with the related parties.

Promoter/Public	No. of Shares held	No. of Shares Polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of Votes - Against	% of votes in favour on votes polled	% of votes against on votes polled
	1	2	3 = (2/1*100)	4	5	6 = (4/2*100)	7 = (5/2*100)
Promoter and Promoter Group	27139201	27139171	100.00	27139171	0	100.00	0
Public - Institutional Holder	196562	30690	15.61	30690	0	100.00	0
Public - Other	12499378	317223	2.54	8514	308709	2.68	97.32
TOTAL	39835141	27487084	69.00	27178375	308709	98.88	1.12

6. Disclosures

i. Nomination and Remuneration Policy

The Board has adopted a Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management as required by the provisions of Section 178 of the Companies Act, 2013 and the provisions of Clause 49. The salient features of this policy are hereunder:

- The company has a policy which defines that a director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.
- The policy includes that a director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bonafide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.
- The non-executive/ independent directors are paid sitting fees for attending the Board Meetings. The remuneration paid to the Managing Director is as approved by the Nomination and Remuneration Committee, Board of Directors and shareholders of the Company. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing/ Whole- time Director) and Senior Management, and which are decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.
- The policy further prescribed that an independent director shall meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors.

ii. Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) referred to in section 133 of the Companies Act, 2013 in preparation of its financial statements. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

**iii. Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and are at arm's length basis. These transactions were entered into as per the Company's Policy on Related Party Transactions. The company's policy on Related Party Transactions is available at the weblink : www.owmnahar.com/nahar_ie/pdf/RPT_Policy.pdf. As required by the accounting standard AS-18 the details of related party transactions are given in Note No. 38 of the notes to Financial Statements.

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. Whistle Blower Policy/ Vigil Mechanism

The Board has adopted a Whistle Blower Policy/ Vigil Mechanism as per Clause 49 of Listing Agreement and Section 177 of the Companies Act, 2013, to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct. The Company's Vigil Mechanism/ Whistle Blower Policy is available at weblink : www.owmnahar.com/nahar_ie/pdf/Vigil_Machanism_NIEL.pdf. The mechanism provides adequate safeguards against the victimisation of whistle blower and none of the personnel of the company has been denied access to the Audit Committee.

vi. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is committed to create and maintain an atmosphere in which employees can work together, without any fear of exploitation. During the financial year 2014-15, the company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31 March, 2015.

vii. Policy to Determine Material Subsidiary

The Company does not have any subsidiary as defined under clause 49 of the Listing Agreement.

viii. 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.

7. Means of Communication

- i. The Company's quarterly results and annual 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/ Financial Express (English) and Desh Sewak (Punjabi). These results are also posted on the Company's website at: www.owmnahar.com.
- ii. The shareholding pattern and all other corporate communication are intimated to stock exchanges, well in time. The information is also filed electronically with NSE through NEAPS Portal.
- iii. A separate dedicated section under the tab "Investor Relation" has been created at the Company's website which gives the information on compliances with the stock exchanges and other relevant information of interest to the investors / public. Various Polices & Codes as required to be posted at the Company's website as per the requirements of applicable laws are available under the section of "Policies and Code".

8. General Shareholder Information

- i. **Annual General Meeting**
Day, Date, Time and Venue
Wednesday, 30th September, 2015 at 10.00 A.M.
at the Registered Office at Focal Point, Ludhiana -
141010 (Punjab)
- ii. **Financial Year**
Financial Results for the financial
year 2015-16 will be announced tentatively in
July-August, 2015
October-November, 2015
January-February, 2016
April-May, 2016
First Quarter Results
Second Quarter Results
Third Quarter Results
Fourth Quarter & Annual audited results
- iii. **Book Closure**
24th Sept., 2015 to 30th Sept., 2015 (both days inclusive).



iv. Dividend

The Board of Directors has not recommended any dividend for the financial year ended 31.03.2015.

Unclaimed/Unpaid Dividend

The Company had paid dividend @ 10% on equity shares of the Company for the financial year 2007-08, 2008-09, 2009-10, 2010-11, 2012-13 & 2013-14. Members who have not claimed the dividend for the aforesaid period may approach Share Department of the Company. Unpaid/unclaimed dividend for the financial year 2007-08 is due to transfer to the Investor Education & Protection Fund after the expiry of seven years i.e. 4.10.2015.

v. Listing on Stock Exchange

The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

vi. Stock Code

BSE – 519136, NSE - NAHARINDUS, ISIN- INE289A01011

vii. Distribution of Shareholding as on 31.03.2015

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate Shares held	% of Shareholding
1-500	80811	98.20	5100703	12.80
501-1000	877	1.07	630950	1.58
1001-2000	285	0.35	422268	1.06
2001-3000	104	0.13	259100	0.65
3001-4000	35	0.04	121209	0.30
4001-5000	27	0.03	127415	0.32
5001-10000	59	0.07	420926	1.06
10001 & above	94	0.11	32752570	82.22
Total	82292	100.00	39835141	100.00

viii. Shareholding Pattern as on 31.03.2015

Shares held by	No. of Shares	% of shareholding
Promoters	27139201	68.13
Mutual Funds & UTI	18552	0.05
Banks & Financial Institutions	5021	0.01
Foreign Holding (FII's, NRIs, OCBs)	308274	0.77
Private Bodies Corporate (Others)	466000	1.17
Indian Public	11898093	29.87
Total	39835141	100.00

ix. Dematerialisation of Shares

As on 31.03.2015, 90.99% of equity share capital is held in dematerialized form under ISIN-INE289A01011.

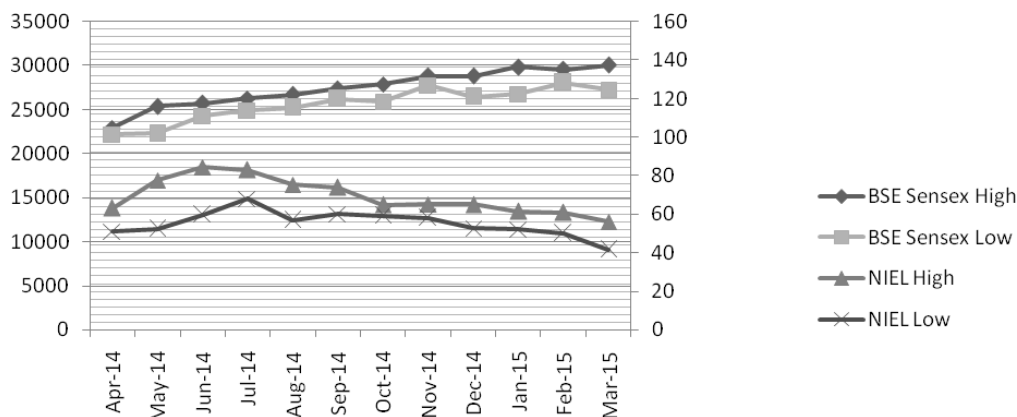
x. Outstanding GDRs/ADRs/Warrants/Options or any other convertible instruments

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

xi. Stock Market Data :

Month	NSE		BSE	
	High	Low	High	Low
April-2014	62.65	54.00	63.00	51.00
May-2014	76.30	55.20	77.70	52.25
June-2014	84.30	58.35	84.45	59.85
July-2014	83.00	67.50	83.00	68.00
August-2014	76.00	57.35	75.40	57.00
Sept. - 2014	71.00	59.35	74.00	60.00
October-2014	66.00	58.40	64.90	59.15
November-2014	66.70	57.65	65.15	58.00
December-2014	65.00	56.50	65.00	52.70
January-2015	64.00	52.05	61.40	52.15
February-2015	63.60	50.30	60.95	50.05
March-2015	55.50	41.40	56.00	41.50

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

**xii. Stock Performance vis-à-vis Index****xiii. Investor Correspondence**

Investor correspondence should be addressed to:

Share Transfer Agent
Alankit Assignments Ltd.
Alankit House, 1E/13, Jhandewalan Extension,
New Delhi 110055
Phone: 011-4254 1234 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@owmnahar.com

xiv. 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 Stakeholder Relationship Committee approve the transfer/transmission/ transposition/issue of duplicate share certificates etc.

xv. Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in case of demat shares is also available with the Depository Participant as per the bye- laws and business rules of NSDL & CDSL.

xvi. Service of Documents through electronic mode

As a part of Green initiative, the Company sends documents such as Notice of the General Meeting, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative in full measure, shareholders are requested to register / update their latest e-mail addresses with their Depository Participants (DP) with whom they are having demat Accounts or send the same to the Company via e-mail at : msood@owmnahar.com or share@owmnahar.com.

xvii. Plant Locations

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



CEO/CFO CERTIFICATION

As required by sub-clause IX of clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31st March, 2015, the Company has complied with the requirements of the said sub-clause.

For Nahar Industrial Enterprises Limited

**Place : Ludhiana
Dated : 30.05.2015**

**Kamal Oswal
Vice Chairman-cum-Managing Director**

**Bharat Bhushan Gupta
Chief Financial Officer**

**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 2015, 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 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**

**R K Gupta
Partner
Membership No. 017039**

**Place : Ludhiana
Dated : 12.08.2015**



Management discussion and Analysis Report 2015

Overview of the Economy

During FY 2014-15 global economies has not grown as expected. However Indian economy has shown some signs of recovery and grew by 7.4% (as per new method of estimating GDP) as compared to 6.9% in FY 2013-14. Indian economy in the coming years is expected to grow at a rapid pace due to substantial reduction in crude oil prices, reduced inflation, strong investor sentiment and with the new stable Government at the centre which is committed to several reforms. The Government envisages GDP growth to accelerate to 8% in Financial Year 2015-16 driven by strengthening macroeconomics fundamentals and implementation of policy reforms recently announced. In the absence of supporting global demand, the domestic market will need to drive economic growth in the coming years.

Industry Structure /Development (Textiles)

The Indian textile and apparel industry (Textile Industry) has an overwhelming presence in the Indian economy. It plays an important role through its contribution to industrial output, employment generation and the export earnings of the country and meets out the basic needs of the people at large popularly pronounced as Roti, **Kapada** aur Makan. After agriculture, the Textile Industry is the second largest employment provider in the country. It is also an established fact that in any country which is on the path of growth from developing to developed countries, growth of textile industry becomes a priority. The textile and apparel industry has always been an important sector for the Government. Thus for the development and to keep it competitive, the Government has been supporting the textile industry through various policies initiatives from time to time.

Indian Government has taken various initiatives to give a further push to the textile industry which includes reducing India's dependence on US and EU markets. The Government, under the Focus Market Scheme, introduced duty credit scrip which the textile exporters can avail on export to 26 additional countries apart from existing destinations. 100% FDI is allowed in the Indian Textile Sector under the Automatic Route. In addition in 2013, the Indian Government signed MOUs with Governments of various countries such as Mauritius, Japan, Romania, Sri Lanka and Myanmar in order to provide boost to the Indian textile sector. The 'Make in India' campaign launched by the Government intends to provide a further boost to the Indian textile industry and

enable it to achieve 20% growth in exports and sustain 12% growth rate in domestic market till 2024-25 as suggested by report of expert committee on Vision, Strategy and Action Plan for Indian Textiles and Apparel Sector. The campaign also focused on providing investment opportunities for foreign companies and entrepreneurs across the entire value chain.

As per the plan for 2012-17, the Integrated Skill Development Scheme aims to train over 26,75,000 people up to 2017, covering all sub sectors of the textile segment. In Budget 2015, a sum of ₹ 5 bn was allocated for developing textile mega-cluster and also allocated ₹ 100 mn to set up a Trade Facilitation Centre and a Crafts Museum to develop and promote handloom products. These factors combined with entrepreneurial ability and capability to build infrastructure will be key success factors for India's rise in global trade.

For the Textiles industry, the global focus is shifting from China to India on account of various factors i.e. increased labor cost, currency value and stability which is providing new place of opportunities as per the theory of "expected vacating places". The Government's positive steps are expected to help this shift and offer an excellent opportunity for increasing textile exports to the overseas markets. The developed countries including US, UK and Japan all are looking at India as suitable and reliable choice for their requirement of garments. This is a huge opportunity and it must be grabbed by the Indian Textile Industry so that it can increase its share in the global market.

The initiatives taken by the Indian Government to further boost the textile industry coupled with the recent developments in the global market are expected to widen the export markets for the textile exporters and also help in driving textile growth in the domestic market.

From the above it is evident that there are ample opportunities for the industry to increase its share in the domestic as well as global markets. Seeing the good prospects of growth of the Textile Industry, the Government of India through its National Textile Policy and National Textile vision document has set the target for Indian Textile and Apparel industry to \$350 billion by 2025 (domestic \$200 billion and Export \$150 billion).

Management Perception of Risk/Concern/Threat

Though the future of the Textile Industry appears to be bright but it is not free from normal business risk and



threats. China the largest producer, consumer and exporter of cotton has recently changed its policy on sourcing cotton. Chinese Cotton Policy brought a sudden downfall in the New York price index and this in turn had a cascading effect on the entire world. Uncertainty prevails till stability comes in Chinese cotton production and consumption pattern. The export of both cotton and yarn to China from India has affected this year.

India is the second largest producer of cotton, after China. India exports about 90-100 lakh bales (approx. 1/4th of production), mainly to neighboring countries China, Bangladesh and Pakistan. According to the CAB data, due to lack of demand from China, cotton export is also fall drastically. China reduced cotton buying from the global market leading to decline in international prices. Government policies in India will play a role in the outlook for cotton in the coming years. India's domestic use of cotton is projected to continue to grow, but not enough to reduce India's export potential. Record levels of cotton stocks, smaller imports by China, weakness in other commodity markets and a strengthening dollar have created a bearish climate for U.S. and world cotton prices.

Input costs, including power and labor, are significant factors which make it difficult for the Company to face competition from neighboring countries. Increase in the power costs, higher transaction costs, high cost of labor and general increase in input costs are all hindering progress for which the industry has to concentrate on cost reduction exercises and improvement in efficiency. Further to give boost to the industrialization of the state, some Governments through their industrial policies have announced certain incentives for the New Industrial units in their state. Though it is advantageous to the new industrial units as they will have differential benefits in view of the different policies of the state nevertheless existing industrial units needs some compensatory benefits like freight equalization policy for having equilibrium for Textile Industry at large. This will enable them to become globally competitive and contribute towards the growth of the state as well as country.

The high rate of interest and tight monetary policy are affecting the financial performance of the Textile Industry. Though RBI has taken some remedial measures in this regard but still a lot more is required as the Textile Industry is a capital intensive industry.

Recently Turkey has allowed duty free imports of textile fabrics from Pakistan and hence, India will have to face tough competition in this market for textile products. The Indian Textile Industry is export-oriented, facing challenges which can be attributed to sluggish global demand as well as deteriorating global competitiveness of the domestic textile industry. Indian textile products suffer tariff disadvantage from the European Union. India is facing tough competition from neighboring countries like Pakistan, Bangladesh, Sri Lanka and Vietnam which have duty-free access are now grabbing the market share.

Outlook

There is scope for growth in the Textile Industry as India's share in the global trade in textiles is weak, compared to other countries. The free trade environment is a good opportunity for Indian textile industry to increase its share in the global market. In the mid-long term, the Indian textile industry is expected to grow very strongly with growth being balanced from both domestic consumption as well as exports demand. The prospects of long-term growth in India remain strong as it brings a rare set of strengths: stable democratic Governments, capable private sector, huge consumer base, coupled with the availability of raw material and skills, India's growing young population and rising income have been a key determinant of demand growth. All of the above will create a huge market opportunity for companies to take long-term opportunity.

Your company has positioned itself as one of the leading integrated textile player to reap the benefits of economies of scale and become globally competitive in terms of cost and quality. 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.

Industry Structure/Development (Sugar)

The Indian sugar industry is characterized by the co-existence of private, co-operative and public sector. It is the second largest producer of Sugar in the World. It is the second largest agro based industry after textiles. The growth of sugar industry has powerful impact on the rural economy. The Indian sugar industry in the last few years has produced a surplus sugar over its domestic requirement. This is an outcome of a skewed cane



pricing policy of the Government that has recklessly incentivized farmers to produce excess cane at prices far beyond what the industry can afford. The arbitrary fixing of cane prices by state Governments over and above the prices fixed by the Central Government (on the basis of recommendations made by Commission on Agricultural Costs and Prices) has virtually broken the back of sugar industry. The steep rise in sugar cane price year after year coupled with tumbling sugar prices has impacted the profitability of sugar Companies this year and are reflected in the financial performance of the Sugar Companies. Consequently, several sugar mills have been reeling under heavy losses; few have fallen sick and used their working capital facilities to fund these losses. We are no exception to the general phenomena now prevalent and faced by sugar industry. In the financial year 2014-15, the sugar segment of the Company has suffered cash loss of ₹ 22.90 crore which has affected the overall performance of the Company.

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. The farmers have shifted from other crops to cane due to huge disparity between cane prices compared to other crops. The shift in cropping pattern has been detrimental to both sugar industry and farmer. What was supposed to be the ultimate insurance to farmers, the guarantee of payment by sugar mills is virtually collapsing and making our farmer vulnerable. Export of sugar is not viable as sugar prices are also weak in the international market. The high cost of production (due to higher sugar cane cost) coupled with weak international prices also made exports unattractive.

Outlook

The Central Government upon the recommendation of Dr. C. Rangarajan Committee scrapped the levy obligation and dismantled the release mechanism. The Rangarajan Committee recommendations for the sugar industry mandating sugarcane prices to be linked to the realization of sugar and its by-products still awaits full implementation by the sugar producing States. The sugar sector has an important role in ensuring food and

energy security in the country. It has tremendous opportunities to meet food, fuel and power needs. For this to happen, supportive policy regime is required both at the Central and State Government levels. At these high uneconomical rates, it is virtually impossible for the sugar industry to buy cane, crush them and manage to survive. One hopes that the Government will decisively intervene. The cane farmer cannot survive unless the sugar industry survives and is economically viable. Uneconomical cane pricing has led the sugar industry to the verge of closure. Sugar prices have now been hovering far below the cost of production. As a result, sugar industry is under pressure. The sugar industry is virtually under pressure and it requires a supportive policy from the Government.

Segment wise/Financial/Operational Performance

The Company operates in two segments i.e. Textiles 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 which commensurate with the size of the company. The company is having internal control systems which are properly followed by all concerned departments of the Company. The Company is also having an Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and to suggest improvement in the systems.

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 11,476 as on 31/03/2015. The Industrial relations were cordial and satisfactory.

Cautionary Statement

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

For and on behalf of the Board of Directors

Place: Ludhiana

Dated: 12.08.2015

Jawahar Lal Oswal

Chairman

**Independent Auditor's 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, 2015, 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

The Management and board of directors of the company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder. We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, 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, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, 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 aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule, 7 of the Companies(Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:-
 - i. The Company has disclosed the impact of its pending litigations on its financial position in its financial statements Refer note no-28 to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the company.

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

Raj Kumar Gupta
(Partner)

M. No. : 017039

Place : Ludhiana
Dated : 30th May, 2015



ANNEXURE TO THE INDEPENDENT AUDITOR'S 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, fixed assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.
- (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) 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 189 of the Companies Act, 2013.
- (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) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) 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 sub-section (1) of Section 148 of the Act. We are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.
- (vii)(a) According to the information and explanations given to us and based on the records of the company examined by us. Undisputed statutory dues including provident fund, Investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs 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, 2015 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 Wealth tax / Custom duty / Cess. However, following demands of Income Tax/ Excise / Service Tax / Sales tax / Value Added Tax have been raised on account of disputes:

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Forum where dispute is pending
The Tamil Nadu General Sales Tax Act, 1959	Sales Tax Demand	9.43	Dy. Commissioner Appeals Sale Tax, Madras
The Punjab VAT Act, 2005	Sales Tax Demand	20.99	Commissioner of Sale Tax, Patiala
	Sales Tax Demand	36.75	Sale Tax Tribunal, Chandigarh
The Central Excise Act, 1944	Excise Duty Demand	567.37	Commissioner Appeals, Chandigarh
	Excise Duty Demand	23.81	CESTAT, Delhi
	Excise Duty Demand	47.54	Commissioner Appeals, Jaipur
The Finance Act, 1994	Excise Duty Demand	13.39	CESTAT, Jaipur
	Service Tax Demand	10.09	Dy. Commissioner, Ludhiana
	Service Tax Demand	9.27	The Supreme Court of India
	Service Tax Demand	5.88	CESTAT, Jaipur
	Service Tax Demand	27.86	Joint Commissioner, Jaipur
	Service Tax Demand	114.23	Commissioner Appeals, Chandigarh
The Income Tax Act, 1961	Income Tax	646.83	CIT (Appeals), Ludhiana

- (c) According to the information and explanations given to us the amounts which are required to be transferred to the Investor Education and Protection fund in accordance with the relevant provisions of the Companies Act, 1956(1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) 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.



(ix) 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.

(x) 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.

(xi) 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.

(xii) 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 and Co.
Chartered Accountants
FRN : 000203N

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

Place : Ludhiana
Dated : 30th May, 2015

**BALANCE SHEET AS AT 31st MARCH, 2015**

PARTICULARS	NOTE NO.	As At 31st March, 2015 (₹ in '000)	As At 31st March, 2014 (₹ in '000)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	400,342	400,342
Reserves and Surplus	3	<u>5,394,206</u>	<u>6,009,118</u>
		5,794,548	6,409,460
Non-Current Liabilities			
Long Term Borrowings	4	4,208,719	4,735,785
Deferred Tax Liability (net)	5	218,101	325,326
Other Long Term Liabilities	6	77,181	86,697
Long Term Provisions	7	<u>57,101</u>	<u>24,690</u>
		4,561,102	5,172,498
Current Liabilities			
Short Term Borrowings	8	4,093,391	4,624,477
Trade Payables	9	1,047,046	566,110
Other Current Liabilities	10	1,912,720	2,063,637
Short Term Provisions	11	<u>73,345</u>	<u>112,642</u>
		7,126,502	7,366,866
TOTAL		<u>17,482,152</u>	<u>18,948,824</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	6,130,208	7,345,376
Intangible Assets		17,125	6,435
Capital Work-in-Progress		398,702	342,774
Non-Current Investments	13	1,383,441	1,390,603
Long Term Loans and Advances	14	<u>114,012</u>	<u>110,715</u>
		8,043,488	9,195,903
Current Assets			
Inventories	15	6,396,778	6,325,353
Trade Receivables	16	1,741,818	2,105,145
Cash and Cash Equivalents	17	34,440	24,822
Short Term Loans and Advances	18	223,440	359,144
Other Current Assets	19	<u>1,042,188</u>	<u>938,457</u>
		9,438,664	9,752,921
TOTAL		<u>17,482,152</u>	<u>18,948,824</u>
Notes Forming Part of the Financial Statements	1 to 42		

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 :30th May, 2015**Mukesh Sood**

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal OswalVice Chairman-cum-
Managing Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

PARTICULARS	NOTE NO.	Current Year (₹ in '000)	Prevoius Year (₹ in '000)
INCOME			
Revenue from Operations (gross)	20	18,074,009	18,545,665
Less: Excise Duty		<u>44,462</u>	<u>50,524</u>
Revenue from Operations (net)		18,029,547	18,495,141
Other Income	21	<u>56,646</u>	<u>64,638</u>
Total Revenue		18,086,193	18,559,779
EXPENSES			
Cost of Material Consumed	22	9,656,627	10,267,873
Purchases of Stock-in-Trade	23	56,110	43,894
Changes in Inventories of Finished Goods, Work- in Progress and Stock-in-Trade	24	305,159	(856,784)
Employee Benefits Expense	25	1,590,805	1,413,051
Finance Costs	26	1,048,793	1,058,728
Depreciation	12	1,352,406	1,203,085
Other Expenses	27	<u>4,428,663</u>	<u>4,379,187</u>
Total Expenses		18,438,563	17,509,034
Profit/(Loss) Before Tax		(352,370)	1,050,745
Tax Expenses			
- Current Tax		7,706	222,070
- Deferred Tax		<u>(80,008)</u>	<u>136,200</u>
Profit/(Loss) for the Year		(280,068)	<u>692,475</u>
Basic and diluted earnings per equity share (Face value of equity share ₹ 10 each)	33	(7.03)	17.38

**Notes Forming Part of the
Financial Statements**

1 to 42

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

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director

Kamal Oswal
Vice Chairman-cum-
Managing Director

M.No. : 017039

Place : Ludhiana

Dated :30th May, 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

PARTICULARS	2014-15 (₹ In '000)	2013-14 (₹ In '000)
(A) Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax	(352,370)	1,050,745
Adjustment for:		
Depreciation	1,352,406	1,203,085
Sundry balances written back (Net)	(6,929)	51,014
Profit on sale of Fixed Assets (Net)	(12,969)	(24,808)
Dividend Received	(4,402)	(4,402)
Interest Income	(19,529)	(27,459)
Interest Expense	1,048,793	1,058,728
Operating Profit before Working Capital Changes	2,005,000	3,306,903
Adjustment for:		
Trade & other receivable	405,567	(206,614)
Inventories	(71,425)	439,848
Trade Payables	628,385	(193,102)
Cash Generated from operations	2,967,527	3,347,035
Direct Taxes Paid	(24,586)	(246,658)
Net Cash from Operating Activities	2,942,941	3,100,377
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(590,175)	(1,177,709)
Sale of Fixed Assets	37,227	93,009
Sale of Investments	7,162	--
Purchase of Investments	--	(5)
Interest Received	19,529	27,459
Dividend Received	4,402	4,402
Net cash used in Investing Activities	(521,855)	(1,052,844)
(C) Cash Flow From Financing Activities		
Interest paid	(1,048,793)	(1,058,728)
Dividend paid	(39,755)	(40,206)
Corporate dividend tax	(6,770)	(6,770)
Proceeds from Long Term Borrowings (Net)	(785,064)	(473,658)
Changes in Working Capital Borrowings	(531,086)	(465,274)
Net Cash used in Financing Activities	(2,411,468)	(2,044,636)
Net Change in Cash & Cash Equivalents (A+B+C)	9,618	2,897
Opening Cash & Cash Equivalents	24,822	21,925
Closing Cash & Cash Equivalents	34,440	24,822

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 :30th May, 2015

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-

Managing Director

**Notes to Financial Statements for the year ended 31st March, 2015****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 under Section 133 of the Companies Act, 2013.

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, on the basis of useful life of such assets specified in Schedule -II of the Companies Act, 2013.
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, 2015****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, 2015

PARTICULARS	As At 31 st March, 2015 (₹ in '000)		As At 31 st March, 2014 (₹ 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 31 st March, 2015	As At 31 st March, 2014
a. Reconciliation of the number of equity shares outstanding :		
At the beginning of the year	39,835,141	39,835,141
Outstanding at the end of year	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 :

Shareholders	Number	As At 31 st March, 2015		As At 31 st March, 2014	
		% of holding	Number	% of holding	
Nahar Capital & Financial Services Ltd.	9,336,745	23.44	9,336,745	23.44	
J. L. 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	
Oswal Woollen Mills Ltd.	2,094,819	5.26	1,956,829	4.91	
Nagdevi Trading & Investment Co. Ltd.	2,273,625	5.71	2,150,608	5.40	
Kovalam Investment & Trading Co. Ltd.	2,068,920	5.19	1,989,620	4.99	
Ashish Dhawan	2,590,124	6.50	2,590,124	6.50	

**Notes to Financial Statements for the year ended 31st March, 2015**

PARTICULARS	As At 31 st March, 2015 (₹ in '000)	As At 31 st March, 2014 (₹ in '000)
3. Reserves and Surplus		
Capital Subsidy Reserve		
Balance as per last Balance Sheet	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	1,347,332	701,770
Add: Transfer from surplus/(deficit) in the Statement of Profit & Loss	<u>(535,010)</u>	<u>812,322</u> <u>645,562</u>
		1,347,332
Contingent Liability Reserve		
Balance as per last Balance Sheet	155,392	155,392
Less: Transfer to surplus/(deficit) in the Statement of Profit & Loss	<u>79,902</u>	<u>75,490</u> <u>--</u>
		155,392
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	--	--
Add : Profit/ (Loss) for the year	(280,068)	692,475
Add : Transfer from Contigent Liability Reserve	79,902	--
Less: Depreciation pursuant to enactment of schedule II of the Companies Act,2013 (Refer to Note No.-35)	334,844	--
Less : Proposed Dividend on Equity shares	--	39,835
Less : Corporate Dividend Tax	--	7,078
Less : Balance Transferred to General Reserve	<u>(535,010)</u>	<u>645,562</u>
Total	<u>5,394,206</u>	<u>6,009,118</u>



Notes to Financial Statements for the year ended 31st March, 2015

PARTICULARS	As At 31 st March, 2015 (₹ in '000)	As At 31 st March, 2014 (₹ in '000)
4. Long Term Borrowings		
Term Loans (Secured)		
From Banks	3,703,321	4,314,384
Others (Unsecured)		
Loans And Advances from Related Parties	505,398	421,401
Total	4,208,719	4,735,785

4.1 Terms of repayment of long term borrowings :
i) Terms of repayment of term loans*

As At 31 st March, 2015 (₹ in '000)	Repayment Period from origination (years)	Installments outstanding as on 31 st March, 2015	
		No.	Periodicity
199,100	4	7	Quarterly
183,665	4	7	Quarterly
72,600	8	3	Quarterly
300,000	3.5	14	Quarterly
300,000	3.5	14	Quarterly
183,123	8	6	Quarterly
17,263	8	9	Quarterly
107,580	8	17	Quarterly
962,900	8	20	Quarterly
141,608	8	20	Quarterly
278,302	8	21	Quarterly
2,897	8	1	Quarterly
92,065	8	5	Quarterly
1,145,251	8	25	Quarterly
51,000	5	20	Quarterly
44,602	8	4	Quarterly
110,795	6	72	Monthly
53,217	8	3	Quarterly
346,985	8	10	Quarterly
32,165	8	8	Quarterly
81,342	8	19	Quarterly
12,000	8	2	Quarterly
195,000	3	3	Quarterly
114,800	3	11	Monthly
99,678	3	12	Quarterly
389	3	22	Monthly
412	3	22	Monthly
404	3	23	Monthly
413	3	24	Monthly
413	3	24	Monthly
700	3	28	Monthly
600	3	36	Monthly
428	3	36	Monthly
5,131,697			

* 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, 2015**

PARTICULARS	As At 31st March, 2015 (₹ in '000)	As At 31st March, 2014 (₹ 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, State Bank of Hyderabad, Allahabad Bank, Punjab National Bank, Axis Bank, State Bank of Mysore, Punjab & Sind Bank and 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 Amlah, Distt. Fatehgarh Sahib (Punjab) including the Company's movable Plant and Machinery, Machinery Spares and other moveables 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	237,863	333,717
Deferred tax assets		
Disallowance u/s 43B of the Income Tax Act, 1961	19,762	8,391
Total	218,101	325,326
6. Other Long Term Liabilities		
Security deposits	45,426	50,786
Other liabilities	31,755	35,911
Total	77,181	86,697
7. Long Term Provisions		
Provision for Employee Benefits		
Provision for gratuity	57,101	24,690
Total	57,101	24,690
8. Short-Term Borrowings		
Loans repayable on demand		
Working capital borrowings from banks (Secured)	4,093,391	4,624,477
Total	4,093,391	4,624,477

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, 2015**

PARTICULARS	As At 31 st March, 2015 (₹ in '000)	As At 31 st March, 2014 (₹ in '000)
9. Trade Payables		
Micro, Small and Medium Enterprises	--	--
Others	<u>1,047,046</u>	<u>566,110</u>
Total	<u>1,047,046</u>	<u>566,110</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, 2015**

PARTICULARS	As At 31st March, 2015 (₹ in '000)	As At 31st March, 2014 (₹ in '000)
10. Other Current Liabilities		
Current maturities of long-term debt	1,428,376	1,686,374
Unclaimed dividend	12,014	11,934
Other Payables		
- Statutory dues	37,262	48,533
- Advance from customers/others	18,696	35,785
- Due to Employees	197,141	169,153
- Others	219,231	111,858
Total	<u>1,912,720</u>	<u>2,063,637</u>

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

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

Leave encashment **20,670** 18,553

Other provisions

Proposed dividend -- 39,835

Corporate dividend tax -- 6,770

Excise duty on closing stock **52,675** 47,484

Total **73,345** **112,642**



Notes to Financial Statements for the year ended 31st March, 2015

12. FIXED ASSETS

(₹ in '000)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	As at 01.04.2014	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2015	Upto 31.03.2014	Provided during the year	Transfer to Retained Earning * back during the year	Adjusted/ Written 31.03.2015	Total Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS											
Leasehold Land	31,122	--	--	31,122	--	--	--	--	--	31,122	31,122
Freehold Land	673,280	67,435	--	740,715	--	--	--	--	--	740,715	673,280
Building	3,455,500	88,311	2,343	3,541,468	1,192,128	143,271	43,951	692	1,378,658	2,162,810	2,263,372
Plant & Machinery	13,607,064	346,248	80,847	13,872,465	9,343,577	1,166,172	314,948	58,652	10,766,045	3,106,420	4,263,487
Furniture & Fixtures	82,103	8,055	47	90,111	32,064	13,750	144	22	45,936	44,175	50,039
Office Equipment	92,492	4,467	712	96,247	60,088	15,563	3,018	510	78,159	18,088	32,404
Vehicles	62,669	5,576	2,173	66,072	30,997	10,185	-	1,988	39,194	26,878	31,672
TOTAL(A)	18,004,230	520,092	86,122	18,438,200	10,658,854	1,348,941	362,061	61,864	12,307,992	6,130,208	7,345,376
INTANGIBLE ASSETS											
Computer Software	31,676	14,155	--	45,831	25,241	3,465	--	--	28,706	17,125	6,435
TOTAL(B)	31,676	14,155	--	45,831	25,241	3,465	--	--	28,706	17,125	6,435
TOTAL(A+B)	18,035,906	534,247	86,122	18,484,031	10,684,095	1,352,406	362,061	61,864	12,336,698	6,147,333	7,351,811
Previous Year	17,246,503	959,240	169,837	18,035,906	9,582,646	1,203,085	--	101,636	10,684,095	7,351,811	7,663,857

* The Company has recalculated the remaining useful life of fixed assets in accordance with the provisions of Schedule-II of the Companies Act, 2013, the fixed Assets which have already completed their useful life in terms of Schedule-II of the Act, the carrying value (net of residual value) of such assets as at 1st April, 2014 has been adjusted (Net of Deferred Tax) to the Retained Earnings .

**Notes to Financial Statements for the year ended 31st March, 2015**

PARTICULARS	As At 31 st March, 2015 (₹ in '000)	As At 31 st March, 2014 (₹ in '000)
13 . NON-CURRENT INVESTMENTS		
I. TRADE INVESTMENTS		
INVESTMENT IN EQUITY SHARES		
Investment in Others (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. OTHERS 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, 2015

PARTICULARS	As At 31 st March, 2015 (₹ in '000)	As At 31 st March, 2014 (₹ 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
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
(c) Investment in Others (Unquoted)		
3,360-Fully Paid Up Equity Shares of ₹ 100/- each of Nagdevi Trading & Investment Co. Limited. (Previous year 3,360)	51	51
NIL-Fully Paid Shares of GBP 1.00 Per Share of Crown Star Limited (Previous year 100,000)	-	7,162
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 One)	5	5
(ii) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (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	1,383,441	1,390,603
1. Aggregate amount of Quoted Investments	495,755	495,755
2. Market Value of Quoted Investments	317,809	305,972
3. Aggregate amount of Unquoted Investments	887,686	894,848



Notes to Financial Statements for the year ended 31st March, 2015

PARTICULARS	As At 31 st March, 2015 (₹ in '000)	As At 31 st March, 2014 (₹ in '000)
14. Long Term Loans and Advances (Unsecured considered good)		
Capital advances	1,285	1,285
Security deposits	112,727	109,430
Total	114,012	110,715
15. Inventories (As Taken, Valued and Certified By The Management)		
Raw Materials	2,707,688	2,377,873
Work-in-Progress	477,912	505,957
Finished Goods	2,895,773	3,172,887
Stores and Spares	315,405	268,636
Total	6,396,778	6,325,353
15.1 Detail of Inventory-Finished Goods		
Yarn	580,515	668,571
Fabrics	999,551	1,208,115
Sugar	1,188,455	1,173,763
Other	127,252	122,438
Total	2,895,773	3,172,887
16. Trade Receivables (Unsecured Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	10,649	15,969
Others	1,731,169	2,089,176
Total	1,741,818	2,105,145
17. Cash and Cash Equivalents		
Balance with banks:		
In current accounts	11,086	3,059
In unpaid dividend accounts	12,014	11,934
Deposit with more than 3 months but less than 12 months maturity	354	324
Cash in hand	10,986	9,505
Total	34,440	24,822
18. Short Term Loans and Advances (Unsecured considered good)		
Prepaid expenses	20,255	15,648
Advances to suppliers	190,760	330,495
Loans and advances to employees	11,382	11,845
Others	1,043	1,156
Total	223,440	359,144
19. Other Current Assets (Unsecured considered good)		
Advance Income tax(Net of Provision)	95,372	78,492
Balances with government authorities	297,611	292,012
Others	649,205	567,953
Total	1,042,188	938,457



Notes to Financial Statements for the year ended 31st March, 2015

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
20. Revenue from Operations		
Sale of Products	17,866,375	18,318,861
Other Operating Income	105,707	106,009
Export Incentives	101,927	120,795
Revenue from Operations (gross)	18,074,009	18,545,665
Less: Excise Duty	44,462	50,524
Revenue from Operations (net) Total	18,029,547	18,495,141
20.1 Details of Products Sold		
Yarn	9,177,870	9,362,810
Fabrics	7,125,509	7,299,416
Sugar	1,083,096	1,084,673
Others	479,900	571,962
Total	17,866,375	18,318,861
21. Other Income		
Interest income	19,529	27,459
Dividend Income	4,402	4,402
Other non-operating income	32,715	32,777
Total	56,646	64,638
22. Cost of Material Consumed		
Opening Stock	2,377,873	3,703,249
Add : Purchases	9,986,442	8,942,497
Less: Closing Stock	2,707,688	2,377,873
Total	9,656,627	10,267,873
22.1 Detail of cost of Material Consumed		
Fibres	7,994,788	8,390,183
Yarn	344,885	523,177
Sugarcane	1,146,825	1,263,377
Others	170,129	91,136
Total	9,656,627	10,267,873
23. Detail of Purchase of Stock-in-Trade		
Fibres	--	8,409
Yarn	50,091	30,304
Fabric	5,056	4,473
Garments	963	708
Total	56,110	43,894
24. Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	505,957	498,270
Finished goods	3,172,887	2,323,790
Closing Stock		
Work-in-progress	477,912	505,957
Finished goods	2,895,773	3,172,887
Total	305,159	(856,784)



Notes to Financial Statements for the year ended 31st March, 2015

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
25. Employee Benefits Expense		
Salary, Wages and Other Allowances	1,402,396	1,263,387
Contribution to provident and other funds	167,379	127,617
Staff welfare expenses	16,021	17,208
Staff Recruitment & Development expenses	5,009	4,839
Total	1,590,805	1,413,051
25.1 Employee benefits		
The detail of employee benefits with regard to gratuity, a funded defined benefit plan, are given here :		(₹ in '000)
Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of year	166,467	142,466
Current Service Cost	26,705	24,709
Interest Cost	14,624	10,998
Actuarial Loss	34,287	(1,721)
Benefits paid	(16,749)	(9,985)
Present value of obligation at the end of the year	225,334	166,467
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	141,777	107,602
Expected return of plan assets	13,327	10,718
Contributions	29,348	32,961
Benefits paid	(16,749)	(9,985)
Actuarial gain	530	481
Fair value of plan assets at the end of the year	168,233	141,777
Net (Liability) / Asset recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	225,334	166,467
Fair value of plan assets at the end of the year	168,233	141,777
Net (Liability) / Asset recognised in the Balance Sheet	(57,101)	(24,690)
Expense recognised in the Statement of Profit and Loss		
Current service cost	26,705	24,709
Interest cost on benefit obligation	14,624	10,998
Expected return on plan assets	(13,327)	(10,718)
Net Actuarial Loss/Gains recognised in the year	33,757	(2,202)
Net gratuity cost	61,759	22,787
Actuarial assumptions		
Discount rate	7.80%	9.25%
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 31st March, 2015 for the estimated term of defined benefit obligation.



Notes to Financial Statements for the year ended 31st March, 2015

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
26. Finance Costs		
Interest Expense	939,860	1,019,338
Other Borrowings Cost	29,031	39,390
Foreign Exchange Hedging Loss (Net of Premium Receipts)	79,902	--
Total	<u>1,048,793</u>	<u>1,058,728</u>
27. Other Expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	1,426,557	1,370,089
Power and Fuel	2,358,675	2,296,977
Handling and Restacking charges	39,984	44,355
Machinery Repairs and Maintenance	32,967	26,667
Excise duty on stocks	5,193	6,328
Sub Total	<u>3,863,376</u>	<u>3,744,416</u>
b. Administrative & Other Expenses		
Rent	3,059	3,127
Rates & Taxes	9,734	7,969
Insurance	35,699	36,389
Legal & Professional Expenses	10,870	12,932
Travelling & Conveyance*	48,065	35,165
Vehicle Repair & Maintenance	11,559	9,953
Payment To Auditor	1,678	1,519
Directors Remuneration	2,688	2,688
Director Meeting Fee	343	174
Repairs and Maintenance	29,039	36,328
Loss on Sale/discard of Fixed Assets	490	1,476
Charity & Donation	5	342
Miscellaneous Expenses	31,514	81,288
Sub Total	<u>184,743</u>	<u>229,350</u>
* Include Directors Travelling of ₹ 1,899 thousands (Previous Year ₹ 3,314 thousands)		
c. Selling Expenses		
Forwarding and Octroi	202,525	212,080
Commission & Brokerage	98,772	102,830
Rebate and Discount	53,306	54,256
Other Selling Expenses	25,941	36,255
Sub Total	<u>380,544</u>	<u>405,421</u>
Total (a+b+c)	<u>4,428,663</u>	<u>4,379,187</u>
27.1 Payment to auditor		
As Auditor:		
Audit fee	901	901
Tax audit fee	314	314
In other capacity	387	222
Reimbursement of expenses	76	82
Total	<u>1,678</u>	<u>1,519</u>

**Notes to Financial Statements for the year ended 31st March, 2015****28) CONTINGENT LIABILITIES NOT PROVIDED FOR :**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances/ Letter of credit issued) ₹5,398.67 Lacs (Previous year ₹1,010.03 Lacs).
- b) Letter of Credits in favour of suppliers and others ₹ 694.98 Lacs (Previous year ₹ 868.81 Lacs).
- c) Bank Guarantees in favour of suppliers and others ₹ 1,159.11 Lacs (Previous year ₹ 916.08 Lacs).
- d) Sales tax demands against which the company has preferred appeals ₹ 67.17 Lacs (Previous year ₹ 67.17 Lacs).
- e) Income tax demands against which the company has preferred appeals ₹ 646.83 Lacs (Previous year ₹ Nil Lacs).
- f) The Central Excise Authorities have issued show cause notices to the Company for ₹ 819.44 Lacs on various matters under the Central Excise Rules (Previous year ₹ 809.52 Lacs). The Company has filed suitable replies with the concerned authorities.
- g) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 8,681.30 Lacs (Previous year ₹ 8,161.57 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 ₹ 3,525.40 Lacs (Previous year ₹ 486.49 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.

29) The Company has undertaken export obligations of ₹ 67,461.51 Lacs (Previous year ₹ 52,048.08 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 ₹ 65,881.82 Lacs (Previous year ₹ 50,468.39 Lacs) have been fulfilled up to 31st March, 2015.

30) Advances include ₹ 27.76 Lacs (Previous year ₹ 27.76 Lacs) paid to the machinery supplier 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 31.03.2015 for ₹ 5,723.35 Lacs (Previous year ₹ 6,597.01 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.

33) Earnings Per Share (EPS)

(₹ In Lacs)

	2014-15	2013-14
Profit/loss after Tax (₹ in Lacs)	(2,800.68)	6,924.75
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 (₹)	(7.03)	17.38

34) In accordance with the section 135 of the Companies Act, 2013 the company is covered by the provision of the said section-“Corporate Social Responsibility (CSR)”

a) The amount required to be spent-

₹40.56 Lacs

b) The amount Spent-

Nil

However the company jointly with other group companies have joined hands under one umbrella, namely Oswal Foundation to carry out CSR activities in future.



Notes to Financial Statements for the year ended 31st March, 2015

- 35) Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing from 1st April, 2014, the Company has recalculated the remaining useful life of fixed assets in accordance with the provisions of Schedule-II of the Act. In case of Fixed Assets which have already completed their useful life in terms of Schedule-II of the Act, the carrying value (net of residual value) of such assets as at 1st April, 2014 amounting to ₹ 3,348.44 Lacs (net of deferred tax) has been adjusted to the Retained Earnings and in case of other fixed assets the carrying value (net of residual value) is being depreciated over the re-calculated remaining useful life.
- 36) The Company is setting up a distillery unit with a capacity of 200 KLPD and 5 MW co-generation power plant at Village Salana Jeon Singh Wala , Tehsil Amloh , District Fatehgarh Sahib in the State of Punjab. After obtaining all necessary approvals for setting up the unit, orders for purchase of plant and machinery was placed and civil construction has also started. Unfortunately, farmers of the nearby area have filed an appeal in the National Green Tribunal (NGT), Delhi challenging Environmental Clearance and the central ground water approval regarding extraction of water through bore wells. The Tribunal heard the arguments from both the sides and the order was reserved on 19.3.2015 and the same is pending till date. In the meantime Company has incurred ₹ 16.61 crore as capital expenditure in the project.
- 37) 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)			
	Textile	Sugar	Others	Total
Segment Revenue				
Total Revenue	166,684.79	11,957.94	19.28	178,662.01
Less: Inter Segment Revenue				442.88
Net Revenue				178,219.13
Segment Results				
Profit/ (Loss) before exceptional items, interest and tax	8,552.91	(1,353.08)	(235.60)	6,964.23
Less (i) interest				9,688.91
(ii) exceptional Items				799.02
Profit/ (Loss) before tax				(3,523.70)
Capital Employed				
Segment Assets- Segment Liabilities	92,829.36	5,599.13	18,068.95	116,497.44

38) Related Party Disclosures as required by Accounting Standard 18 issued by the ICAI are as under: -

(a) Disclosure of Related Parties and relationship between the parties.

1 Associates

J.L.Growth Fund Limited
Vardhman Investment Limited
Atam Vallabh Financers Limited
Cotton County Retail Limited

2 Key Management Personnel

Sh. Kamal Oswal	Vice Chairman-cum-Managing Director
Sh. Bharat Bhushan Gupta	Chief Financial Officer
Sh. Mukesh Sood	Company Secretary

3 Relatives of Key Management Personnel

Sh. Jawahar Lal Oswal
Sh. Dinesh Oswal
Mrs. Abhilash Oswal
Mrs. Manisha Oswal
Mrs. Ritu Oswal
Mrs. Ruchika Oswal
Mrs. Monika Oswal
Mr. Rishab Oswal
Mr. Abhinav Oswal



Notes to Financial Statements for the year ended 31st March, 2015

4 Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control	Oswal Woollen Mills Ltd. Nahar Spinning Mills Ltd. Nahar Capital and Financial Services Ltd. Nahar Industrial Infrastructure Corporation Ltd. Monte Carlo Fashions Ltd. Nahar Poly Films Ltd. Kovlam Investment & Trading Co. Ltd. Nagdevi Trading & Investment Co. Ltd. Sankheshwar Holding Co. Ltd. Vanaik Investors Ltd. Vinayak Spinning Mills Ltd. Crown Star Ltd. Hug Foods Pvt. Ltd. Abhilash Growth Fund Pvt. Ltd. Nahar Growth Fund Pvt. Ltd. Neha Credit & Investment Pvt. Ltd. Nahar Financial and Investment Ltd.* Retailerkart E-Venture Pvt. Ltd.* Simran & Shanaya Co. Ltd.* Sidhanth & Mannat Co. Ltd.* Palam Motels Ltd.* Monika Growth Fund Pvt. Ltd.* Ruchika Growth Fund Pvt. Ltd.* Girnar Investment Ltd.*
--	--

* No transaction has taken place during the year

(b) Detail of transactions entered into with related parties during the year; (₹ In Lacs)

Particulars	Associates	Key Management Personnel (KMP)	Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control .	Relative of Key Management Personnel
Purchase of goods	16.20	--	5,402.97	--
Sales of Goods	1,146.74	--	27,413.70	--
Purchase of fixed assets	--	--	74.44	--
Sale of fixed assets	--	--	16.97	--
Sale of FMP/FMS license	--	--	267.20	--
Rent received	14.83	15.00	29.51	--
Processing charges received	--	--	333.87	--
Rent paid	19.33	--	--	--
Dividend received	--	--	44.01	--
Dividend paid	73.91	0.01**	197.47	--
Purchase of Investment	--	--	34.53	--
Sale of Investment	--	--	135.64	--
Interest paid	442.84	--	--	--
Director Meeting Fee	--	--	--	0.60
Remuneration	--	56.58***	--	6.00
Loan received (Net)	409.39	--	--	--
Loan Paid	--	--	3.40	--
Balance Receivable/(Payable) (net) as on 31.03.2015	(5,245.32)	--	1,536.84	--

** Included Dividend paid to Vice Chairman-cum-Managing Director of ₹ 1,294

*** Included Remuneration paid to Vice Chairman-cum-Managing Director of ₹ 26.88 Lacs

**Notes to Financial Statements for the year ended 31st March, 2015****39) Expenditure in Foreign Currency**

PARTICULARS	2014-15 (₹ In '000)	2013-14 (₹ In '000)
a) Value of Import on CIF basis		
(i) Raw Material	80,722	--
(ii) Capital Goods & Stores	212,033	357,198
b) Expenditure in Foreign Currency		
(i) Travelling	2,117	2,170
(ii) Commission	28,238	33,589
(iii) Others	6,710	7,126

40) Earning in Foreign Currency

PARTICULARS	2014-15 (₹ In '000)	2013-14 (₹ In '000)
a) Earnings in Foreign Exchange		
i) F.O.B. Value of Exports	1,871,806	2,396,107

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

PARTICULARS	2014-15		2013-14	
	(₹ In '000)	%age	(₹ In '000)	%age
i) Raw Material				
Imported	62,587	0.65	6,665	0.06
Indigenous	9,594,040	99.35	10,261,208	99.94
ii) Consumables, Stores, Spares Parts & Components				
Imported	151,178	10.60	132,549	9.67
Indigenous	1,275,379	89.40	1,237,540	90.33

42) 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 :30th May, 2015**Mukesh Sood**

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-

Managing Director

**AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ in Lacs)

Sr	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
----	------------------------	---	--	---------------	--------------------	--------------	-------------------	-------------	----------	------------------------	------------------------	-----------------------	-------------------	-------------------

-----The Company has no Subsidiary -----

PART "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies

Name of Associates	Cotton County Retail Limited	J L Growth Fund Ltd.	Vardhman Investment Ltd.	Atam Vallabh Financiers Ltd.
1 Latest Audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015	31.03.2015
2 Shares of Associate held by the Company on the year end				
No. of Shares	10,729,474	180,000	250,000	164,000
Amount of Investment in Associates (₹ In Lacs)	3,978.92	1,684.80	1,475.00	1,066.00
Extent of holding %	49.99	41.10	47.17	36.85
3 Description of how there is significant influence	Section 2(6) of the Companies Act, 2013			
4 Reason why associate is not consolidated	As per Companies (Accounts) Amendment Rules, 2014 dated 14.10.2014, Proviso to Rule 6.			
5 Net Worth attributable to shareholding as per latest audited Balance Sheet (₹ in Lacs)	4,755.33	1,980.73	1,547.45	1,092.46
6 Profit/(Loss) for the year After Tax (₹ in Lacs)				
Considered in consolidation	--	--	--	--
Not considered in consolidation	(66.49)	28.52	19.71	13.41

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

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 : msod@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 31st Annual General Meeting of the Company to be held on Wednesday, the 30th day of September, 2015 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, 2015 and the reports of Directors and Auditors thereon.			
2.	To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
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 Auditors of the Company for the financial year 2015-16 and fix their remuneration			
5.	To appoint Dr. Vijay Asdhir (DIN: 06671174) as an Independent Director of the Company.			
6.	To appoint Sh. Navdeep Sharma (DIN: 00454285) as a Non-Executive Director of the Company.			
7.	To approve the remuneration of cost auditor for the financial year 2015-16.			

Cut here



Place : _____

Date : _____

Signature of the Member / Authorised Representative

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

**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, M/s. P.S.Bathla & Associates Practicing Company Secretary (C.P. No. 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 of 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 23rd September, 2015 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 29th September, 2015 (5.00 P.M.). Ballot Form received after 29th September, 2015 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, 2015, 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 31st Annual General Meeting of the Company being held on Wednesday, the 30th day of September, 2015 at 10.00 a.m. at the Registered Office of the Company at Focal Point, Ludhiana – 141010, Punjab.

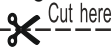
Name of the Shareholder(s) 1. _____ 2. _____ 3. _____

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	

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

- 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 31st Annual General Meeting of the company, to be held on Wednesday, the 30th day of September, 2015 at 10.00 a.m. at the Registered Office of the Company at Focal Point, Ludhiana –141010, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below:

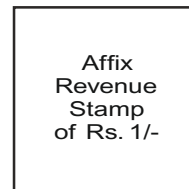


Item No.	Resolution	Optional*	
		(For)	(Against)
1.	To receive, consider and adopt the Financial Statements of the Company for the financial year ended on 31st March, 2015 and the reports of Directors and Auditors thereon.		
2.	To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
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 Auditors of the Company for the financial year 2015-16 and fix their remuneration		
5.	To appoint Dr. Vijay Asdhir (DIN: 06671174) as an Independent Director of the Company.		
6.	To appoint Sh. Navdeep Sharma (DIN: 00454285) as a Non-Executive Director of the Company.		
7.	To approve the remuneration of cost auditor for the financial year 2015-16.		

Signed this day of 2015

Signature of shareholder :

Signature of Proxy holder(s) :

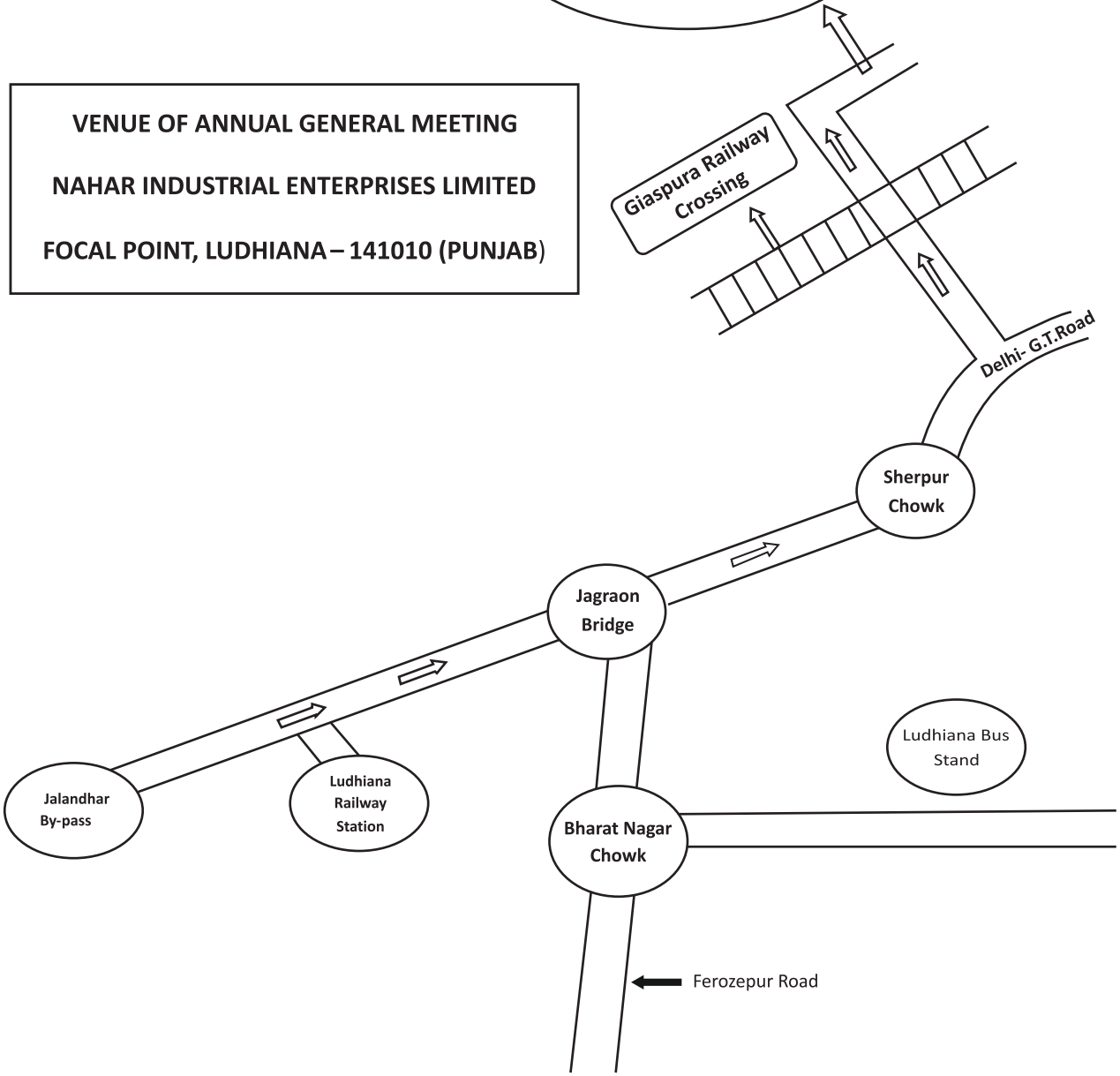


Note:

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 31st 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.

Nahar Industrial Enterprises Ltd.

**VENUE OF ANNUAL GENERAL MEETING
NAHAR INDUSTRIAL ENTERPRISES LIMITED
FOCAL POINT, LUDHIANA – 141010 (PUNJAB)**



Through Courier
(Printed Matter)

If undelivered, please return to :
NAHAR INDUSTRIAL ENTERPRISES LIMITED
Regd. Office : Focal Point,
Ludhiana - 141 010.

Printed at : Manbik Graphics Pvt. Ltd.
Ph. : 0161-2511917, 098140-25568