



The Nahar Group

34TH

ANNUAL REPORT 2017-18



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, Director
Dr. (Mrs) Harbhajan Kaur Bal, Independent Director
Dr. Amrik Singh Sohi, Independent Director
Sh. Ajit Singh Chatha, IAS (Retd.), Independent Director
Dr. Vijay Asdhir, Independent Director
Dr. Suresh Kumar Singla, Independent Director

CHIEF FINANCIAL OFFICER

Sh. Bharat Bhushan Gupta

COMPANY SECRETARY

Sh. Mukesh Sood

AUDITORS

M/s. K.R.Aggarwal & Associates, Chartered Accountants,
B-XV-980, (2nd Floor), G.T.Road, Miller Ganj,
Adj. Gurudwara Shaheedan Pheruman, Ludhiana - 141003 (Punjab)

BANKERS

State Bank of India	Canara Bank
Punjab National Bank	Allahabad Bank
Punjab & Sind Bank	IDBI Bank Ltd.
Corporation Bank	Dena Bank

REGISTERED OFFICE

Focal Point, Ludhiana -141010
Phone: 0161-2672590, 2672591 Fax: 0161-2674072
Website: www.owmnahar.com

CORPORATE IDENTIFICATION NUMBER (CIN): L15143PB1983PLC018321

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Performance at a glance

(₹ in Lacs)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Gross sales/operating income	185,456.65	180,740.09	177,694.62	173,166.89	176,274.88
Exports	26,439.93	19,403.45	21,694.07	16,040.55	16,578.04
Net Profit	6,924.75	(2,800.68)	4,234.04	7,013.48	1,722.14
Cash Accruals	22,538.30	10,000.36	14,497.31	15,529.35	8,357.71
Gross Block including CWIP	183,786.80	188,827.33	189,373.23	198,241.39	202,058.19
Net Block including CWIP	76,945.85	65,460.35	57,306.82	60,101.15	60,447.45
Equity Share Capital	4,003.42	4,003.42	4,003.42	4,003.42	4,003.42
Net Worth	64,094.60	57,945.48	60,509.18	68,920.83	69,642.71
Capital Employed	131,569.45	116,497.44	106,405.76	110,609.76	109,376.80
Debt Equity Ratio	0.74	0.73	0.57	0.48	0.44
Current Ratio	1.32	1.32	1.37	1.41	1.31
Book Value per share (₹)	160.90	145.46	151.90	173.01	174.83
Earning per share (₹) [Basic]	17.38	(7.03)	10.63	17.61	4.32

The Journey

1983	Incorporated on 27 th September, 1983.
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 & steel).

For Attention of Shareholders

- SEBI has directed to update PAN and Bank Account details of the Shareholders, who are holding shares in physical form, for payment of dividend through electronic channel.
- SEBI has mandated that w.e.f. December 5, 2018 only dematerialized securities will be allowed to be transferred except for transmission or transposition of securities.
- To support the Green initiative of Ministry of Corporate Affairs in the Corporate Governance, Share holders are requested to register their latest Email address with the Depository participant (DP)/Company/Registrar and Transfer Agent (RTA).
- Shareholders are advised to refer Page No. 11-12 of Annual Report for compliance.



NOTICE

Notice is hereby given that the **34th Annual General Meeting** of the members of Nahar Industrial Enterprises Ltd. will be held on **Friday, the 28th day of September, 2018 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:
 - (a) the Audited Financial Statements of the Company for the financial year ended on 31st March, 2018 and the Reports of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2018 and the Reports of Auditors thereon.
2. To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a director in place of Sh. Navdeep Sharma (DIN: 00454285), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To approve the remuneration of cost auditor for the financial year 2018-19** 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 Section 148 and all other applicable provisions of the Companies Act, 2013 and 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, 2019, the company do hereby confirm and ratify the remuneration of Rs. 270000/- (Rupees Two Lacs Seventy Thousands 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.”

5. **To re-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 a **Special 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 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and as recommended by the Nomination & Remuneration Committee, consent of the members be and is hereby accorded for the re-appointment of Dr. Vijay Asdhir (DIN: 06671174), as an Independent Director, who was appointed as an Independent Director of the company for a period of 3 years i.e. up to the conclusion of 34th Annual General Meeting and in respect of whom the Company has received a notice u/s 160 of the Act in writing from a member proposing his candidature for the office of director of the Company in independent category, not liable to retire by rotation, to hold the office for a period of three consecutive years i.e. up to the conclusion of 37th Annual General Meeting to be held in the year 2021.”

6. **To approve continuation of holding of office as Non-Executive Director by Sh. Jawahar Lal Oswal (DIN: 00463866), upon attaining the age of 75 years** and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with the provisions of Companies Act, 2013 and Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the Members be and is hereby accorded for continuation of holding of office as Non-Executive Director of the Company by Sh. Jawahar Lal Oswal (DIN: 00463866), upon attaining the age of 75 years on 1 October, 2018.”

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

7. **To approve continuation of holding of office as Independent Director by Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576), who has attained the age of 75 years** and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with the provisions of Companies Act, 2013 and Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the Members be and is hereby accorded for continuation of holding of office as Independent Director of the Company by Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008546), who has



attained the age of 75 years, up to the expiry of her present term i.e. the conclusion of the 36th Annual General Meeting to be held in the year 2020.”

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

8. **To approve continuation of holding of office as Independent Director by Sh. Ajit Singh Chatha (DIN: 02289613), who has attained the age of 75 years and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with the provisions of Companies Act, 2013 and Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the Members be and is hereby accorded for continuation of holding of office as Independent Director of the Company by Sh. Ajit Singh Chatha (DIN: 02289613), who has attained the age of 75 years, up to the expiry of his present term i.e. the conclusion of the 36th Annual General Meeting to be held in the year 2020.”

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

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 14th August, 2018

Mukesh Sood
Company Secretary

NOTES:

- 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.
- 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.
- 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.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 22nd September, 2018 to 28th September, 2018 (both days inclusive).
- 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.
- Electronic copy of the Annual Report for the year 2017-18 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.
- The information required to be provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards, regarding the Directors who are proposed to be appointed / re-appointed is given the Explanatory Statement and forms part of the notice.
- 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.
- Members are informed to send all documents and communications pertaining to equity shares to M/s. Alankit Assignments Limited, RTA Division, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110055, Share Transfer Agent for both physical and dematerialized segment of equity shares. Please quote on all correspondence – Unit: Nahar Industrial Enterprises Limited.
- Pursuant to provisions of section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (the IEPF Rules), all shares, in respect of which dividend has not been claimed by the shareholders of the Company for seven consecutive years, have already been transferred by the Company in the name of INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS. Members are hereby informed to claim the unclaimed / unpaid dividend relating to 2010-11 onwards at the earliest, as the same is required to be transferred to IEPF from 4.10.2018 onwards.
- Members seeking any information with regard to the



accounts at the time of the meeting are requested to write to the Company at least 10 days before the date of the meeting so as to enable the management to keep the relevant information ready.

- 12. The Company provides the facility of Electronic Clearing Service (ECS) for payment of Dividend. The shareholders holding equity shares in physical form and who wish to avail ECS facility may intimate ECS mandate to the Company's Share Department / RTA immediately.
- 13. The members are requested to bring the copy of Annual Report along with them at the meeting.
- 14. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 26, 2017.
- 15. **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.**

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 and applicable provisions of SS-2 issued by ICSI, 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 34th 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 along with Postal Ballot Form through permitted mode.
- III. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25.09.2018 (09.00 a.m.) and ends on 27.09.2018 (05.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.09.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders".
- (iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<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) (given where shareholder's address is printed on envelope) in the PAN field. • 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. Eg. 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 (iv).



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN 180827032** for the relevant NAHAR INDUSTRIAL ENTERPRISES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Window phone users can download the app from the App Store and the Window Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (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) 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 or call 1800-200-5533.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21.09.2018.
- V. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- VI. M/s. P.S.Bathla & Associates, Company Secretaries (Membership No. FCS-4391) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- VIII. The Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
- IX. 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 modes, the voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.
- X. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through Post to declare the final results for each of the Resolutions forming part of the Notice of this AGM.
- XI. 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.

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. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditors to conduct the audit of the cost accounting records of Textile and Sugar segments of the Company for the financial year ending 31.3.2019 at such remuneration, as mentioned in the resolution.

In accordance with the provisions of Section 148 of the Act read with 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 for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.3.2019. The Board recommends the Ordinary Resolution set out at Item No. 4 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.

Item No. 5

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ('the Act'), the shareholders of the company in their 31st Annual General Meeting held on 30.09.2015 had appointed Dr. Vijay Asdhir (DIN: 06671174) as an Independent Director of the Company, not liable to retire by rotation, for a period of three years i.e. up to the conclusion of the 34th Annual General Meeting.

As per Section 149 (10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing a Special Resolution by the Company. Pursuant to the provisions of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Nomination & Remuneration Committee has recommended to the board regarding re-appointment of Dr. Vijay Asdhir, subject to the approval of the shareholders, for a further period of three year i.e. up to the conclusion of the 37th Annual General Meeting to be held in the year 2021.

The company has received consent in Form DIR-2 and Declaration in Form DIR-8 from Dr. Vijay Asdhir in compliance of the Act. He 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, he fulfills the conditions specified in the Act and the rules framed there under for re-appointment as Independent Director and he is independent of the management.

The performance of Dr. Vijay Asdhir was evaluated through a structured evaluation process as per the policy for evaluation of independent directors. The board considers that the continued association of Dr. Vijay Asdhir would be beneficial to the company and it is desirable to avail his services as Independent Director of the company.

Accordingly the resolution seeking your consent/approval by way of Special Resolution, set out at Item No. 5 of the Notice, has been proposed for your approval.

Except Dr. Vijay Asdhir, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.

The Board recommends the Resolution for your approval. Brief resume of Dr. Vijay Asdhir, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are mentioned in the Annexure to this Notice.

Item No. 6

Sh. Jawahar Lal Oswal is appointed as a Non-executive Director of the Company (liable to retire by rotation) pursuant to the provisions of Section 152 of the Companies Act, 2013 and rules framed thereunder.

The provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as notified on 9th May, 2018 which will be effective from 1st April, 2019, provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect.

Sh. Jawahar Lal Oswal is 74 years of age and will reach the age of 75 years on 1 October, 2018. He is Chairman and Non-Executive Promoter Director of the Company. He holds a Bachelor's Degree in Commerce. He has more than 54 years of experience in the Textile and Woolen industry and he is associated with the Company since 1991. He is an eminent industrialist and his leadership qualities, expertise and experience has enabled the Company to become one of the leading Integrated Textile player of the Country. He has been awarded Punjab Ratan Award' at the Punjab State Intellectual's Conference in 2003 by the All India Conference of Intellectuals. He was also awarded Udyog Ratna Award' by the PHD Chamber of Commerce and Industry in 2005, the LMA-Sat Paul Mittal Life Time Achievement Award' by the Ludhiana Management Association in 2012 and the Achievers of the North' by the Economic Times in 2013.

Having regard to his vast business experience, expertise and leadership, Nomination and Remuneration Committee has recommended his continuation on the Board. The Board is also of the opinion that his continued association would be of immense beneficial to the Company. So it is desirable and advisable to continue avail his services as Non-Executive Director.



Accordingly the resolution seeking your consent/approval by way of Special Resolution, set out at Item No. 6 of the Notice, for continuation of holding of present office by Sh. Jawahar Lal Oswal as Non-executive Director even after attaining the age of 75 years, has been proposed for your approval.

Sh. Jawahar Lal Oswal may be deemed to be concerned or interested in the aforesaid resolution. Sh. Kamal Oswal, Managing Director and Sh. Dinesh Oswal, Director, being relatives of Sh. Jawahar Lal Oswal may be deemed to be concerned or interested in the said resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Resolution for your approval. Brief resume of Sh. Jawahar Lal Oswal, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are mentioned in the Annexure to this Notice.

Item No. 7

Dr. (Mrs) Harbhajan Kaur Bal was re-appointed as an Independent Director of the Company on 26.09.2017 to hold office for three consecutive years for a second term up to the conclusion of the 36th Annual General Meeting to be held in the year 2020 under the relevant provisions of the Companies Act, 2013.

The provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as notified on 9th May, 2018 which will be effective from 1st April, 2019, provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect.

Dr. (Mrs) Harbhajan Kaur Bal is 79 years of age. She is Post Graduate and Ph.D (Stats). She is an eminent educationist and having more than 32 years of experience as Academician and General Management. She is independent of the Management and possesses appropriate skills, experience and knowledge.

Having regard to her vast knowledge and expertise, the Nomination and Remuneration Committee has recommended her continuation on the Board as an Independent Director. The Board is also of the opinion that her continued association would be of immense beneficial to the Company. So it is desirable and advisable to continue avail her services as an Independent Director.

Accordingly the Resolution seeking your consent/ approval by way of Special Resolution, set out at Item No. 7 of the Notice, for continuation of holding of existing office by Dr. (Mrs) Harbhajan Kaur Bal as Independent Director of the Company after attaining the age of 75 years upto the expiry of his present term of office up to the conclusion of the 36th Annual

General Meeting to be held in the year 2020 has been proposed for your approval.

Except Dr. (Mrs) Harbhajan Kaur Bal, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.

The Board recommends the Resolution for your approval. Brief resume of Dr (Mrs) Harbhajan Kaur Bal, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are mentioned in the Annexure to this Notice.

Item No. 8

Sh. Ajit Singh Chatha was re-appointed as an Independent Director of the Company on 26.09.2017 to hold office for three consecutive years for a second term up to the conclusion of the 36th Annual General Meeting to be held in the year 2020 under the relevant provisions of the Companies Act, 2013.

The provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as notified on 9th May, 2018 which will be effective from 1st April, 2019, provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect.

Sh. Ajit Singh Chatha is 82 years of age. He is a retired IAS officer. He has worked as Chief Secretary to the Government of Punjab during his last tenure of service besides holding several different assignment and positions during his service. He is B.E. (Hons.) in Electrical Engineering. He is having vast experience in General Management and Administration. He is independent of the Management and possesses appropriate skills, experience and knowledge.

Having regard to his vast knowledge and expertise, the Nomination and Remuneration Committee has recommended his continuation on the Board as an Independent Director. The Board is also of the opinion that his continued association would be of immense beneficial to the Company. So it is desirable and advisable to continue avail his services as an Independent Director.

Accordingly the Resolution seeking your consent/ approval by way of Special Resolution, set out at Item No. 8 of the Notice, for continuation of holding of existing office by Sh. Ajit Singh Chatha as Independent Director of the Company after attaining the age of 75 years upto the expiry of his present term of office up to the conclusion of the 36th Annual General Meeting to be held in the year 2020 has been proposed for your approval.

Except Sh. Ajit Singh Chatha, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.



The Board recommends the Resolution for your approval. Brief resume of Sh. Ajit Singh Chatha, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, are mentioned in the Annexure to this notice.

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 14th August, 2018

Mukesh Sood
Company Secretary

ANNEXURE TO THE NOTICE

Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Directors seeking appointment / re-appointment / continuation has been given as hereunder:-

Name of Director and Brief Resume	Nature of Expertise in Specific Functional Areas	Details of Directorships and Committee positions in various companies			Share-holding in the company	Relation-ship between Directors inter-se	Terms and Conditions of Appointment	Other Details
		Directorships	Committees	Status				
Sh. Jawahar Lal Oswal (DIN: 00463866) Age: 75 Years Qualification: Commerce Graduate	56 years of experience in textile Industry	Oswal Woollen Mills Ltd.	CSR Shareholders	Chairman Chairman	Nil	Relative of Sh. Kamal Oswal & Sh. Dinesh Oswal	Liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board.	Date of first appointment on the Board: 14.10.1991. Remuneration last drawn: @ Rs. 10000/- per Board Meeting. No. of Board Meetings attended during last year: 4 (four)
		Monte Carlo Fashions Ltd.	CSR Share Transfer Risk Management	Chairman Chairman Chairman				
		Abhilash Growth Fund Pvt. Ltd.	--	--				
		Nahar Poly Films Ltd.	--	--				
		Nahar Capital & Financial Services Ltd.	--	--				
		Nahar Industrial Enterprises Ltd.	--	--				
		Nahar Spinning Mills Ltd.	--	--				
		Nagdevi Trading & Investment Co. Ltd.	--	--				
		Sankeshwar Holding Co. Ltd.	--	--				
		J L Growth Fund Ltd.	--	--				
		Crownstar Ltd., UK	--	--				
		Neha Credit & Investment Pvt. Ltd.	--	--				
		Nahar Growth Fund Pvt. Ltd.	--	--				
		Ruchika Growth Fund Pvt. Ltd.	--	--				
		Monica Growth Fund Pvt. Ltd.	--	--				
White Tiger Breweries & Distilleries Ltd.	--	--						



NAHAR INDUSTRIAL ENTERPRISES LIMITED

Annual Report 2017-18

Name of Director and Brief Resume	Nature of Expertise in Specific Functional Areas	Details of Directorships and Committee positions in various companies			Share-holding in the company	Relation-ship between Directors inter-se	Terms and Conditions of Appointment	Other Details
		Directorships	Committees	Status				
Sh. Dinesh Gogna (DIN: 00498670) Age: 65 years Qualification: B.A., LLB.	More than 39 years of experience in field of Corporate Finance and Taxation	Nahar Industrial Enterprises Ltd.	Audit Stakeholders Relationship CSR	Member Chairman	105	Nil	Non-Executive Director liable to retire by rotation Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : Appointed First Director of the company in terms of Articles of Association Remuneration last drawn : @ Rs. 10,000/- per Board meeting. No. of Board meetings attended during last year : 4 (four)
		Nahar Spinning Mills Ltd.	Audit Share Transfer CSR	Member Member Member				
		Nahar Poly Films Ltd.	Share Transfer Audit CSR	Member Member Member				
		Oswal Woollen Mills Ltd.	Audit Shareholders	Member Member				
		Cotton County Retail Ltd.	--	--				
		Monte Carlo Fashions Ltd.	Stakeholders Relationship Audit Nomination & Remuneration CSR Share Transfer	Chairman Member Member Member Member				
		Girnar Investment Ltd.	--	--				
		Oswal Leasing Ltd.	--	--				
		Nahar Capital & Financial Services Ltd.	Share Transfer CSR	Member Member				
		Crown Star Ltd.(UK)	--	--				
		Oswal Denim Ltd.	--	--				
Sh. Navdeep Sharma (DIN: 00454285) Age: 59 years Qualification: B.A., LLB	More than 35 years of experience in the field of Taxation	Nahar Industrial Enterprises Ltd.	--	--	Nil	Nil	Non-Executive Director liable to retire by rotation Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : 12.08.2015 Remuneration last drawn : @ Rs. 10,000/- per Board meeting. No. of Board meetings attended during last year : 4 (four)
		Nahar Industrial Infrastructure Corpn. Ltd.	--	--				
		Vanaik Investors Ltd.	--	--				
		Nagdevi Trading & Investment Co. Ltd.	--	--				
		J L Growth Fund Ltd.	--	--				
		Oswal Leasing Ltd.	Audit Stakeholders Relationship	Member Chairman				
		Kovalam Investment & Trading Co. Ltd.	Audit Stakeholders Relationship Nomination & Remuneration	Member Member Member				
		Palam Motel Ltd.	--	--				
		Vanaik Spinning Mills Ltd.	Audit Nomination & Remuneration	Member Chairman				
		Nahar Financial and Investment Ltd.	--	--				



NAHAR INDUSTRIAL ENTERPRISES LIMITED

Annual Report 2017-18

Name of Director and Brief Resume	Nature of Expertise in Specific Functional Areas	Details of Directorships and Committee positions in various companies			Share-holding in the company	Relation-ship between Directors inter-se	Terms and Conditions of Appointment	Other Details
		Directorships	Committees	Status				
		Abhilash Growth Fund Pvt. Ltd.	--	--				
		Nahar Growth Fund Pvt. Ltd.	--	--				
		Monica Growth Fund Pvt. Ltd.	--	--				
		Ruchika Growth Fund Pvt. Ltd.	--	--				
		Neha Credit & Investment Pvt. Ltd.	--	--				
		Vigil Investment Pvt. Ltd.	--	--				
		Marble E-Retail Pvt. Ltd.	--	--				
Dr. Vijay Asdhir (DIN: 06671174) Age : 71 years Qualification : M.Com and Phd	More than 37 years of experience in teaching management and Administration	Nahar Industrial Enterprises Ltd.	Audit Nomination & Remuneration Stakeholders Relationship	Chairman Chairman Member	Nil	Nil	Not liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : 14.02.2015 Remuneration last drawn : @ Rs. 10,000/- per Board meeting. No. of Board meetings attended during last year:4(four)
		Nahar Spinning Mills Ltd.	Stakeholders Relationship	Chairman				
		Nahar Poly Films Ltd.	Audit	Member				
		Nahar Capital & Financial Services Ltd.	--	--				
Dr. (Mrs.) Harbhajan Kaur Bal (DIN:00008576) Age: 79 Years She is Post Graduate & Ph.D	32 years of experience of Academician & General Management	Nahar Industrial Enterprises Limited	Nomination & Remuneration Audit	Member Member	Nil	Nil	Not liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board: 30.06.2001 Re-appointed as Independent Director under section 149 on 26.09.2017. Remuneration last drawn: @ Rs. 10000/- per Board Meeting. No. of Board Meetings attended during last year: 4 (four)
		Sporting India Limited	Audit Nomination & Remuneration	Member Member				
Sh. Ajit Singh Chatha (DIN: 02289613) Age: 82 Years He is B.E. (Hons.) in Electrical Engineering	Chief Secretary to Govt. of Punjab & various other Positions	Nahar Industrial Enterprises Ltd.	--	--	Nil	Nil	Not liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board: 27.03.2013 Re-appointed as Independent Director under section 149 on 26.09.2017 Remuneration last drawn: @ Rs. 10000/- per Board Meeting. No. of Board Meetings attended during last year: 4 (four)
		Cotton County Retail Limited	Audit Nomination & Remuneration	Member Member				
		Monte Carlo Fashions Ltd.	--	--				
		WWICS Global Law Offices Pvt. Ltd.	--	--				
		Indian Acrylics Limited	CSR	Member				
		J Kumar Infraprojects Limited	Audit Nomination & Remuneration	Member Member				
		Triveni Projects & Resorts P.Ltd	--	--				



NAHAR INDUSTRIAL ENTERPRISES LIMITED

NAHAR INDUSTRIAL ENTERPRISES LIMITED

CIN: L15143PB1983PLC018321

Registered Office: Focal Point, Ludhiana 141010

Phone: 161-2672590-591 Fax No.: 0161-2674072

Email ID: msood@owmnahar.com , share@owmnahar.com

Dear Shareholder,

Sub; Updation of PAN, Bank Account Details, Email address & Dematerialisation of Shares

1. Securities and Exchange Board of India (SEBI) vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has mandated all listed Companies to update the Permanent Account Number (PAN) and Bank account details of all shareholders who are holding shares in physical form. Hence, we request you to send us the required information duly filled and signed by all shareholders (including jointholders, if any) along with the following documents to the Company or Registrar and Share Transfer Agent within 21 days from the date of receipt of this letter.

a) Self attested copy of PAN card of all shareholders including joint holders.

b) Original cancelled cheque leaf bearing the name of sole/first named shareholder or attested copy of Bank Passbook.

2. Please note that Companies Act, 2013, provides for sending all documents, notices convening general meeting, annual reports and other documents/communications to its shareholders in electronic form to the registered e-mail address of the shareholders. In terms of Regulations 36(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall send soft copies of annual report/other communication notices etc. to those shareholders who have registered their e-mail address(es) for the purpose.

PLEASE UPDATE YOUR LATEST EMAIL ID FOR PROMPT FUTURE COMMUNICATION.

3. Kindly note that SEBI vide its Notification dated June 8, 2018 has mandated that with effect from December 05, 2018, in all the listed Companies only dematerialized securities will be allowed to be transferred except for transmission or transposition of securities. The Company will not be allowed to undertake any physical transfers, thereafter. Accordingly, you are requested that during this transitional period kindly convert your shareholding in Demat mode.

We seek your co-operation in this regard. You are requested to provide the information either to the Company or to the RTA

Thanking you,

Yours faithfully,

For NAHAR INDUSTRIAL ENTERPRISES LIMITED

MUKESH SOOD
Company Secretary

Cut here





NAHAR INDUSTRIAL ENTERPRISES LIMITED

**COMPANY SECRETARY
NAHAR INDUSTRIAL ENTERPRISES LTD
REGD. OFFICE: FOCAL POINT,
LUDHIANA - 141010**

**ALANKIT ASSIGNMENTS LIMITED
UNIT: NAHAR INDUSTRIAL ENTERPRISES LTD
ALANKIT HEIGHTS, 1E/13,
JHANDEWALAN EXTENSION,
NEW DELHI - 110055**

Dear Sir,

I/ We hereby furnish the details as required by you along with relevant documents:

Name of the Shareholder (in Block letters) (including all joint holders)	1. 2. 3.
Registered Folio No.	
*Permanent Account Number (PAN) / (including all joint holders) ** Number of valid identity proof issued by Government	1. 2. 3.
***Bank account number	
IFSC code	
MICR code	
Name & address of the Bank	
E-mail id for Correspondence	
Mobile number	

*self-attested copy of the PAN Card attached.

**only in case of resident of Sikkim self-attested copy attached.

***original cancelled cheque leaf with pre-printed name of the first shareholder or attested Copy of bank passbook showing the name of the account holders is attached.

I / We hereby confirm that the aforesaid details are true and correct.

1.
2.
3.

**Signature of the Shareholder
including joint holders**



DIRECTORS REPORT

Dear Members,

Your directors have pleasure in presenting their 34th Annual Report together with the audited financial statements for the financial year ended 31st March, 2018.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2018 is summarized below: (₹ in Lacs)

Particulars	Current Year	Previous Year
Revenue from operations	176,274.88	173,166.89
Profits Before Depreciation, Finance Cost and Tax	15,430.85	21,511.73
Less: Depreciation	6,576.90	6,918.70
Less: Finance Cost	7,073.14	5,982.38
Profits Before Tax	1,780.81	8,610.65
Less Tax Expense:		
Current Year Tax	413.00	1973.00
Mat Credit Entitlement	(413.00)	--
Deferred Tax	58.67	(375.83)
Profit for the period	1,722.14	7,013.48
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
i) Re-measurement gains (losses) on defined benefit plans	238.59	(55.87)
ii) Net gain/(loss) on FVOCI equity instruments	(949.71)	1,988.37
Deferred Tax effect on the above	195.08	--
Total Comprehensive Income for the period	1,206.10	8,945.98

2. PERFORMANCE REVIEW

The Company operates in two Business segments i.e. Textile and Sugar as per Indian Accounting Standard (AS)-108 (Operating Segment).

i) **Textile:** The textile division accounts for 87% (including inter-segment) of the total turnover of the company for the year ended 31st March, 2018. The Business wise performance of this segment is as under:

a. **Yarn:** The Company has produced 64,350 MTs of yarn as against 68,236 MTs in the previous year.

b. **Fabric:** The Company has produced 705.29 lacs meters of fabrics (both grey and processed) as against 747.20 lacs meters in the previous year.

The total turnover of this segment (Yarns and Fabrics) has decreased to ₹ 1540.37 crores as against ₹ 1551.26 crores in the previous year showing a marginal decrease of 0.71%.

ii) **Sugar:** The Company has produced 5,63,310 Qtls. of sugar as against 4,68,115 Qtls. in the previous year at a Recovery rate of 10.70% (previous year 10.80%). The total turnover of this segment is ₹ 224.00 crores as against ₹ 176.29 crores in the previous year showing an increase of 27 %.

Overall Performance

The Year under review was tough for the textile industry. In spite of the challenges, the company has achieved operational income of ₹ 1762.74 crores as against ₹ 1731.67 crores showing a marginal increase of 1.79 % over the previous year. The company has earned Profit before finance cost, depreciation and tax of ₹ 154.31 crores as against ₹ 215.12 crores in the previous year. After providing for finance cost of ₹ 70.73 crores (previous year ₹ 59.82 crores), Depreciation of ₹ 65.77 crores (previous year ₹ 69.19 crores) and Tax Expenses of ₹ 0.59 crores (previous year ₹ 15.97 crores) (inclusive of Deferred Tax) the Profit for the year comes to ₹ 17.22 crores as against ₹ 70.13 crores in the previous year.

The performance of the Company was affected because of increase in price of raw cotton and the challenges of the after effects of demonetization and mid year roll out of the Goods and Service Tax (GST) faced by the textile industry. Under the circumstances, your Company has performed reasonably well.

3. TRANSFER TO RESERVES

Your company has transferred ₹ 6.53 crores (previous year ₹ 84.12 crores) to the General Reserves out of profits available for appropriation.

4. CREDIT RATING

The Rating Committee of ICRA has reaffirmed the long-term rating for the Company's Line of Credit (LOC)



at [ICRA] A (pronounced ICRA A). The Outlook on the long-term rating is 'Stable'. The Rating Committee of ICRA has also reaffirmed the short-term rating for the Company's LOC at [ICRA] A1 (pronounced ICRA A one). The Rating Committee of ICRA has assigned the rating of [ICRA]A1 (pronounced ICRA A one) to the proposed ₹ 50 Crore Commercial Paper (CP) Programme of the Company.

5. DIVIDEND

In order to conserve resources for the future, your directors express their inability to recommend dividend for the financial year ended on 31st March, 2018.

6. INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act 2013 and rules framed thereunder, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid account is required to be transferred to Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, the Company has transferred ₹ 17,52,927/- being the amount of unclaimed dividend for the year 2009-10 to the IEPF. Members who have not yet en-cashed or claimed the dividends, that are yet to be transferred to the IEPF, are requested to contact the Company at the earliest.

In terms of the requirements of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('the Rules') the Company is required to transmit the Shares in respect of which the dividend has remained unpaid or unclaimed for a period of seven consecutive years to the IEPF Account. Members are requested to take note of the same and claim their unclaimed dividend immediately to avoid transmission of the underlying shares to IEPF Account. The shares transmitted to the IEPF Account can be claimed back by the concerned members from the IEPF authority after complying with the procedure prescribed under the rules. During the Financial year 2017-18, the Company has transmitted 11,60,874 Shares to IEPF Account. The list of members whose shares have been transmitted to IEPF Authority is displayed on the web site of the company at web-link www.ownahar.com/nahar_ie/transfer-of-equity-shares.php.

7. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 is ₹ 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, 2018 none of the Promoters / Directors of the Company hold instruments convertible into equity shares of the

Company. During the year 2017-18 there is no change in the Share Capital of the Company.

8. DEPOSITS

During the year, the Company has not accepted any deposit 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.

9. 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.

10. MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

No changes and commitments affecting the financial position of the company have occurred during the year under review as well as the period between the end of financial year till the date of this report.

11. DIRECTORS

Appointment and Change in Director

- In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Sh. Dinesh Gogna (DIN: 00498670) and Sh. Navdeep Sharma (DIN: 00454285), Directors of the Company will be retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Accordingly, the requisite resolution(s) are proposed at the ensuing Annual General Meeting for approval.
- The term of appointment of Dr. Vijay Asdhir (DIN: 06671174) comes to an end at this Annual General Meeting. Pursuant to Section 149 (10) of the Companies Act, 2013 the Company is re-appointing Dr. Vijay Asdhir as Independent Director, not liable to retire by rotation, for a further period of three consecutive years i.e. up to the conclusion of 37th Annual General Meeting to be held in the year 2021.

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 on 30.5.2017, 14.8.2017, 14.11.2017 and 14.2.2018. The detail thereof is also given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and



SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has devised a policy for performance evaluation of the board, its committees and all the Directors individually as per the criteria laid down by the Nomination & Remuneration Committee of the Company. The manner of evaluation is stated in the Corporate Governance Report forming an integral part of this report.

Independent Directors Meeting

During the financial year 2017-18, the Independent Directors met on 12th December, 2017, 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 the views of Executive and Non Executive Directors and
- (iii) To assess 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.

12. 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)© and (5) of the Companies Act, 2013:-

- i) that in the preparation of the Annual Accounts for the year ended on 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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, 2018 and of the profit of the Company for the year ended on that date;
- iii) 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.
- iv) that annual accounts have been prepared on a going concern basis.
- v) 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
- vi) 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.

13. 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.

14. RELATED PARTY TRANSACTIONS

During the financial year under review, all transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and are at arm's length basis. The company has not entered into any contract or arrangement with Related parties / Group companies other than in ordinary course of business. The details of Related Party Transactions are placed before the Audit Committee for its review and approval on quarterly 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 web-link: www.owmnaahar.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**.

15. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Directors Report.

16. 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 the company to achieve its objectives. Evaluation of business risk and managing the risk has always been an ongoing process in your company. 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.

**17. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Board adopted a Vigil Mechanism/ Whistle Blower Policy as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 are available at the Company's website i.e. www.owmnahar.com.

18. INDIAN ACCOUNTING STANDARD (IND AS) AND INTERNAL FINANCIAL CONTROL

The Indian Accounting Standard (Ind AS) became applicable on the Company w.e.f. 01st April, 2016. Accordingly, the Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company is having adequate internal financial control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures optimal utilization and protection of Company's resources. The Internal Auditor monitors and evaluates the efficiency and adequacy of internal control systems in the company, its compliance with operating systems, accounting procedures and also 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. The company has engaged an independent agency to access the adequacy of the existing internal financial controls and suggest means for further strengthening the same.

19. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year, the Company has complied with the applicable Secretarial Standards as prescribed under section 118 of the Companies Act, 2013.

20. 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.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company has constituted a Corporate Social Responsibility (CSR) Committee of the board in accordance with section 135 of the Companies Act, 2013. The Company has adopted a CSR Policy and undertaking CSR programmes/ projects along with group companies under one umbrella through Oswal

Foundation (OSF) which is a registered society formed in 2006 having its charitable objects in various fields.

During the year under review, based on the discussion with the Oswal Foundation, the Company had identified a project for setting up of Eye Care Centre in a Charitable Hospital. The Company could not spend an amount of Rs. 68.52 Lacs towards its CSR obligation because of the deferment of the Eye Care project by the charitable medical institution. The Company also made efforts to identify projects in other areas. However, it was not able to identify meaningful projects, finalize implementation agencies and the target beneficiaries which would have created a visible impact on the society.

Due to the aforementioned reasons, the Company was not able to spend its CSR amount till 31st March 2018. The Company remains committed towards the noble cause of social development and has accordingly, decided to carry forward the unspent amount of ₹ 68.52 Lacs to the next year. Oswal Foundation has already begun helping to run the charitable hospital for the purposes of diagnosis & treatment besides other charitable activities under CSR already approved. In July, 2018, the Company has issued a cheque amounting to ₹ 123.43 Lacs which includes the amount of ₹ 54.91 Lacs of CSR liability for the Financial Year 2016-17 in favour of Oswal Foundation for the purposes of CSR including promotion of charitable hospital being run by Mohan Dai Oswal Cancer Treatment & Research Foundation.

The CSR policy of the company has been placed on the Company's website at web-link http://www.owmnahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf. The report on CSR activities as required under the Companies (Corporate Social Responsibility) Rules, 2014 including brief outline of the Company's CSR policy is annexed herewith marked as **Annexure-C**.

22. NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of Nomination and Remuneration Committee, framed a policy for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for determining qualifications, positive attributes, independence of directors and other matter provided under section 178 of the Companies Act, 2013. The Nomination and Remuneration policy of the company is elaborated in the Corporate Governance Report forming an integral part of this report.

23. AUDITORS**i) Statutory Audit & Auditor's Report**

The shareholders at their 33rd Annual General Meeting (AGM) held on 26th September, 2017 had



approved the appointment of M/s. K.R. Aggarwal & Associates, Chartered Accountants, (Firm Registration No. 030088N) as statutory auditors of the Company, to hold office from the conclusion of 33rd AGM up to the conclusion of 38th AGM to be held in the year 2022.

ii) Cost Auditor & Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records & 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. The Company has maintained accounts and cost records with respect to Textile and Sugar business as specified by the Government under Section 148(1) of the Companies Act, 2013. 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 2017-18. The cost audit report for the financial year 2016-17 was filed with the Ministry of Corporate Affairs on 29.12.2017. 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 members' 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 & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company had 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.

24. KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013 Sh. Kamal Oswal, Vice Chairman-cum-Managing Director; Sh. Bharat Bhushan Gupta, Chief Financial Officer and Sh. Mukesh Sood, Company Secretary are the Key Managerial Personnel of the Company.

25. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1), 5(2) and 5(3) of Companies

(Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended up to date) in respect of employees of the Company, forming part of the Directors' Report for the year ended 31st March, 2018 is given in **Annexure-E** to this Report.

26. 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 Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-F**.

27. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming compliance is attached herewith as **Annexure-G** and forms part of this Report.

28. ASSOCIATE/CONSOLIDATED FINANCIAL STATEMENT

As on 31st March, 2018 the company had four Associate Companies i.e. Cotton County Retail Limited, J L Growth Fund Limited, Vardhman Investment Limited and Atam Vallabh Financiers Limited, the accounts of which have been consolidated in accordance with the applicable Accounting Standards (Ind AS) and pursuant to Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The audited consolidated financial statements are provided in the Annual Report. A statement containing salient features of financial statements of associate companies in Form AOC-1 is annexed with the financial statements. The financials of the associate companies is given below:-

i) Cotton County Retail Limited (CCRL)

The company holds 49.99% equity shares of CCRL. During the year, revenue from operations of company was ₹ 4,409.16 lacs as compared to ₹ 3680.68 lacs in the previous year. The company has incurred a net loss of ₹ 2.82 lacs as against ₹ 429.40 lacs in the previous year.

ii) Atam Vallabh Financiers Limited (AVFL)

The company holds 36.85% equity shares of AVFL. During the year, the revenue from operations of the company was ₹ 56.45 lacs as compared to ₹ 53.92 lacs in the previous year. The company has earned a net profit of ₹ 46.29 lacs as against ₹ 45.64 lacs in the previous year.

**iii) Vardhman Investment Limited (VIL)**

The company holds 47.17% equity shares of VIL. During the year, the revenue from operations of the company was ₹ 60.58 lacs as compared to ₹ 57.77 lacs in the previous year. The company has earned a net profit of ₹ 50.40 lacs as against ₹ 49.58 lacs in the previous year.

iv) J L Growth Fund Limited (JLGF)

The company holds 41.10% equity shares of JLGF. During the year, the revenue from operations of the company was ₹ 86.13 lacs as compared to ₹ 74.87 lacs in the previous year. The company has earned a net profit of ₹ 79.45 lacs as against ₹ 93.89 lacs in the previous year.

29. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company is committed to create and maintain an atmosphere in which employees can work together, without any fear of exploitation. The Company has complied with the provisions relating to the constitution

of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2017-18 the company has not received any complaint on sexual harassment and hence no complaint remains pending as on 31st March, 2018.

30. INDUSTRIAL RELATIONS

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

31. ACKNOWLEDGEMENT

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: 14th August, 2018**

**Jawahar Lal Oswal
(DIN: 00463866)
Chairman**

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

As on the Financial Year ended on 31/03/2018

[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: 0161-2672590-592, 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 Mr. Harish Agarwal & Mr. J.K Singla (Unit: Nahar Industrial Enterprises Limited) Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi - 110055 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.	Textiles	131	87.18%
2.	Sugar	2060	12.68%

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 01/04/2017)				No. of shares held at the end of the year (As on 31/03/2018)				% 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	0.01	1324	-	1324	0.01	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	27310377	-	27310377	68.55	27383463	-	27383463	68.74	0.19
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Subtotal (A)(1)	27311701	-	27311701	68.56	27384787	-	27384787	68.75	0.19
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)	27311701	-	27311701	68.56	27384787	-	27384787	68.75	0.19

(B) Public Shareholding									
1) Institutions									
a) Mutual Fund/UTI	4938	13414	18352	0.05	7153	6220	13373	0.03	-0.02
b) Banks/FI	25592	4921	30513	0.08	29072	244	29316	0.07	-0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	169463	-	169463	0.43	169463	-	169463	0.43	-
g) FIs	-	112	112	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (NRI/OCB)	156938	259431	416369	1.04	184328	118225	302553	0.76	-0.28
Sub total (B)(1)	356931	277878	634809	1.60	390016	124689	514705	1.29	-0.31
2) Non-Institutions									
a) Bodies Corporate									
I. Indian	844928	38772	883700	2.22	672216	12675	681891	1.72	-0.50
II. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I. Individual shareholder holding nominal share capital upto Rs. 1 Lakh	4189109	3160221	7349330	18.45	4617486	2145348	6762834	16.98	-1.47
II. Individual shareholder holding nominal share cap.in excess of Rs.1 lakh	3654154	-	3654154	9.17	3311400	-	3311400	8.31	-0.86
c) Others (NBFC)	1447	-	1447	-	15650	-	15650	0.04	0.04
d) IEPF Authority	-	-	-	-	1160874	-	1160874	2.91	2.91
Sub-total (B)(2)	8689638	3198993	11888631	29.84	9777626	2158023	11935649	29.96	0.12
Total Public Shareholding (B)=(B)(1)+(B)(2)	9046569	3476871	12523440	31.44	10167642	2282712	12450354	31.25	-0.19
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36358270	3476871	39835141	100.00	37552429	2282712	39835141	100.00	-



(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01/04/2017)			Shareholding at the end of the year (As on 31/03/2018)			% change in shareholding during the year
		No. of Shares	% 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 Film Ltd	2708800	6.80	-	2708800	6.80	-	-
4	Vardhman Investment Ltd	2277955	5.72	-	2277955	5.72	-	-
5	Oswal Woollen Mills Ltd	2094819	5.26	-	2094819	5.26	-	-
6	Nagdevi Trading & Invest Co. Ltd	2273625	5.71	-	2273625	5.71	-	-
7	Atam Vallabh Financiers Ltd	1691364	4.24	-	1691364	4.24	-	-
8	Kovalam Investment & Trading Co. Ltd	2068920	5.19	-	2068920	5.19	-	-
9	Sankheswar Holding Co. Ltd	549842	1.38	-	549842	1.38	-	-
10	Vanaik Investors Ltd	460487	1.15	-	460487	1.15	-	-
11	Nahar Growth Fund Pvt Ltd	151785	0.38	-	151785	0.38	-	-
12	Nahar Financial & Investment Ltd	150870	0.38	-	150870	0.38	-	-
13	Neha Credit & Investment Pvt Ltd	80654	0.20	-	80654	0.20	-	-
14	Abhilash Growth Fund Pvt Ltd	42675	0.11	-	42675	0.11	-	-
15	Cotton County Retail Limited	-	-	-	73086	0.19	-	0.19
16	Sh. Kamal Oswal	1294	0.01	-	1294	0.01	-	-
17	Sh. Dinesh Oswal	30	-	-	30	-	-	-
	Total	27311701	68.56	-	27384787	68.75	-	0.19

(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.	Cotton County Retail Ltd.				
	At the beginning of Year	-	-	-	-
	Purchased on 17.11.2017	1700	0.00	1700	-
	Purchased on 24.11.2017	5090	0.01	6790	0.02
	Purchased on 01.12.2017	6000	0.02	12790	0.03
	Purchased on 15.12.2017	12360	0.03	25150	0.06
	Purchased on 22.12.2017	2299	0.00	27449	0.07
	Purchased on 29.12.2017	3000	0.00	30449	0.08
	Purchased on 05.01.2018	1545	0.00	31994	0.08
	Purchased on 12.01.2018	8500	0.02	40494	0.10
	Purchased on 19.01.2018	8306	0.02	48800	0.12
	Purchased on 26.01.2018	4975	0.01	53775	0.13
	Purchased on 02.02.2018	3598	0.01	57373	0.14
	Purchased on 23.02.2018	2500	0.01	59873	0.15
	Purchased on 02.03.2018	3176	0.01	63049	0.16
	Purchased on 09.03.2018	4767	0.01	67816	0.17
	Purchased on 16.03.2018	1915	0.00	69731	0.18
	Purchased on 23.03.2018	2500	0.01	72231	0.19
	Purchased on 23.03.2018	855	0.00	73086	0.19

(iv) Shareholding Pattern of top ten Shareholders

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Date	Increase/Decrease in Shareholding	Reasons	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No. Of Shares	% of total shares of the Company
1	Mr. Tara Chand Jain	233329	0.59	01.04.2017 21.04.2017	(9869)	Sale	233329 223460	0.59 0.56



NAHAR INDUSTRIAL ENTERPRISES LIMITED

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				28.04.2017	(6000)	Sale	217460	0.55
				02.06.2017	(3506)	Sale	213954	0.54
				29.12.2017	(2000)	Sale	211954	0.53
				31.03.2018			211954	0.53
2.	Mr. Vinodchandra Mansukhlal Parekh	185847	0.47	01.04.2017			185847	0.47
				31.03.2018			185847	0.47
3.	Ms. Seetha Kumari	-	-	01.04.2017			-	0.00
				21.04.2017	124375	Purchase	124375	0.31
				28.04.2017	13000	Purchase	137375	0.34
				05.05.2017	26476	Purchase	163851	0.41
				17.11.2017	(7884)	Sale	155967	0.39
				31.03.2018			155967	0.39
4.	Mr. Shaunak Jagdish Shah	150118	0.38	01.04.2017			150118	0.38
				31.03.2018			150118	0.38
5.	Mr. Ashish Dubey	-	-	01.04.2017			-	0.00
				03.11.2017	100000	Purchase	100000	0.25
				10.11.2017	50000	Purchase	150000	0.38
				31.03.2018			150000	0.38
6.	Ms. Sangeetha S.	130480	0.33	01.04.2017			130480	0.33
				31.03.2018			130480	0.33
7.	Mr. Anil Kumar Goel	108000	0.27	01.04.2017			108000	0.27
				31.03.2018			108000	0.27
8.	Mr. Pranav Kumarpal Parekh	96284	0.24	01.04.2017			96284	0.24
				31.03.2018			96284	0.24
9.	Mr. Ajay Parekh	94220	0.24	01.04.2017			94220	0.24
				12.01.2018	(151)	Sale	94069	0.24
				31.03.2018			94069	0.24
10	Mr. Bodepudi Jeevan Kishore	-	-	01.04.2017			-	0.00
				09.06.2017	6008	Purchase	6008	0.02
				14.07.2017	48703	Purchase	54711	0.14
				04.08.2017	30	Purchase	54741	0.14
				11.08.2017	23000	Purchase	77741	0.20
				31.03.2018			77741	0.20
11	Mr. Ashish Dhawan *	673095	1.69	01.04.2017			673095	1.69
				07.04.2017	(96948)	Sale	576147	1.45
				14.04.2017	(57781)	Sale	518366	1.30
				21.04.2017	(192219)	Sale	326147	0.82
				28.04.2017	(43271)	Sale	282876	0.71
				05.05.2017	(4147)	Sale	278729	0.70
				12.05.2017	(45853)	Sale	232876	0.58
				26.05.2017	(50000)	Sale	182876	0.46
				02.06.2017	(49806)	Sale	133070	0.33
				16.06.2017	(36882)	Sale	96188	0.24
				23.06.2017	(96188)	Sale	-	0.00
12.	Ms. Dolly Khanna *	416460	1.05	01.04.2017			416460	1.05
				21.04.2017	3970	Purchase	420430	1.06
				30.06.2017	(22015)	Sale	398415	1.00
				07.07.2017	(23905)	Sale	374510	0.94
				21.07.2017	(8200)	Sale	366310	0.92
				28.07.2017	(3593)	Sale	362717	0.91
				11.08.2017	(14599)	Sale	348118	0.87
				18.08.2017	(2500)	Sale	345618	0.87
				25.08.2017	(6512)	Sale	339106	0.85
				08.09.2017	(1500)	Sale	337606	0.85
				15.09.2017	(13035)	Sale	324571	0.81
				19.09.2017	(10000)	Sale	314571	0.79
				30.09.2017	(28570)	Sale	286001	0.72
				06.10.2017	(28285)	Sale	257716	0.65
				13.10.2017	(15100)	Sale	242616	0.61
				28.10.2017	(6000)	Sale	236616	0.59
				03.11.2017	(2500)	Sale	234116	0.59
				17.11.2017	(2000)	Sale	232116	0.58
				01.12.2017	(10060)	Sale	222056	0.56
				15.12.2017	(24080)	Sale	197976	0.50
				22.12.2017	(16040)	Sale	181936	0.46



				29.12.2017	(13805)	Sale	168131	0.42
				05.01.2018	(7350)	Sale	160781	0.40
				12.01.2018	(4000)	Sale	156781	0.39
				19.01.2018	(18890)	Sale	137891	0.35
				26.01.2018	(11525)	Sale	126366	0.32
				02.02.2018	(13000)	Sale	113366	0.28
				09.02.2018	(6000)	Sale	107366	0.27
				16.02.2018	(16200)	Sale	91166	0.23
				23.02.2017	(11470)	Sale	79696	0.20
				09.03.2018	(4000)	Sale	75696	0.19
13.	Risi Finstock Private Limited*	84533	0.21	01.04.2017			84533	0.21
				02.06.2017	(6000)	Sale	78533	0.20
				23.06.2017	(12491)	Sale	66042	0.17
				07.07.2017	(500)	Sale	65542	0.16
				14.07.2017	(1000)	Sale	64542	0.16
				21.07.2017	(75)	Sale	64467	0.16
				28.07.2017	(4000)	Sale	60467	0.15
				11.08.2017	(2474)	Sale	57993	0.15
				18.08.2017	(744)	Sale	57249	0.14
				25.08.2017	(1500)	Sale	55749	0.14
				01.09.2017	(3000)	Sale	52749	0.13
				08.09.2017	(2818)	Sale	49931	0.13
				15.09.2017	(5532)	Sale	44399	0.11
				30.09.2017	(17820)	Sale	26579	0.07
				06.10.2017	(7201)	Sale	19378	0.05
				13.10.2017	(999)	Sale	18379	0.05
				28.10.2017	(400)	Sale	17979	0.05
				03.11.2017	(400)	Sale	17579	0.04
				17.11.2017	(2000)	Sale	15579	0.04

* Ceased from Top 10 Shareholders list during the year
The above information is based on the weekly beneficiary information received from depositories.

(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. Navdeep Sharma	Director	1	-	1	-
4.	Sh. Dinesh Gogna	Director	105	-	105	-
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	3506012	603306	-	4109318
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	3506012	603306	-	4109318
Change in Indebtedness during the Financial Year				
• Additions	608340	23827	-	632167
• Reduction	789012	-	-	789012
• Net Change	(180672)	23827	-	(156845)
Indebtedness at the end of the Financial Year				
I. Principal Amount	3325340	627133	-	3952473
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	3320840	627133	-	3952473



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	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 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	24239520/- 226600/-	24239520/- 226600/-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of profit - Other, specify	-	-
5.	Others (Employer's share of PF)	1728000/-	1728000/-
	Total (A)	26194120/-	26194120/-
	Ceiling as per the Act : As per Schedule V of the Act.		

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr.(Mrs.) Harbhajan Kaur Bal	Dr. Suresh Kumar Singla	Dr. Amrik Singh Sohi	Sh. Ajit Singh Chatha	Dr. Vijay Asdhir	
1.	Independent Directors						
	a) Fee for attending board meeting	40000/-	20000/-	20000/-	40000/-	40000/-	160000/-
	b) Commission	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-
	Total (1)	40000/-	20000/-	20000/-	40000/-	40000/-	160000/-
2.	Other Non-Executive Directors						
	a) Fee for attending board meeting	40000/-	40000/-	40000/-	40000/-	40000/-	160000/-
	b) Commission	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-
	Total (2)	40000/-	40000/-	40000/-	40000/-	40000/-	160000/-
	Total Managerial Remuneration (Total (B) = (1+2)						320000/-
	Overall ceiling as per the Act : 11% of the Net Profit						

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

Sr. No.	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 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	1780071/-	1888871/-	3668942/-
	Total (1)	1780071/-	1888871/-	3668942/-

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 Punishment Compounding	--	--	NONE	--	--
B. DIRECTORS Penalty Punishment Compounding	--	--	NONE	--	--
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	--	--	NONE	--	--

For and on behalf of the Board of Directors

Place : Ludhiana
Date : 14th August, 2018

Jawahar Lal Oswal
(DIN : 00463866)
Chairman

**Form No. AOC-2****ANNEXURE - B**

(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 (2017-18) at arm's length basis (₹ In lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the 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)	(d)	(c)	(e)	(f)
Oswal Woollen Mills Ltd	Purchase of Goods	2017-18	8552.70	Not Required	
	Sale of Goods		20374.42		
	Freight Income		501.68		
	Expenses Reimbursement		41.42		
	Processing Charges Received		26.94		
Nahar Spinning Mills Ltd	Purchase of Goods	2017-18	2329.97	Not Required	
	Sale of Goods		159.31		
	Freight Income		1.89		
	Expenses Reimbursement		54.34		
Monte Carlo Fashions Ltd	Purchase of Goods	2017-18	15.06	Not Required	
	Sale of Goods		341.44		
	Rent Received		7.17		
	Expenses Reimbursement		10.0		
Cotton County Retail Ltd.	Purchase of Goods	2017-18	11.90	Not Required	
	Sale of Goods		1753.21		
	Rent Received		15.57		
	Processing charges paid		227.51		
	Freight Income		3.56		
Nahar Industrial Infrastructure Corpn Ltd.	Purchase of Fixed Assets	2017-18	19.09	Not Required	
J L Growth Fund Ltd.	Rent paid	2017-18	25.72	Not Required	
Hug Foods Pvt. Ltd.	Rent Received	2017-18	1.42	Not Required	
	Purchase of Fixed Assets		2.84		
Mr. Kamal Oswal	Rent Received	2017-18	15.00	Not Required	
Mrs. Manisha Oswal	Remuneration Paid	2017-18	28.80	Not Required	
Mr. Abhinav Oswal	Remuneration Paid	2017-18	23.44	Not Required	

For and on behalf of the Board of Directors

Place: Ludhiana
Date: 14th August, 2018Jawahar Lal Oswal
(DIN: 00463866)
Chairman

**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: Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and recommended the same to the Board of Director of the Company for its approval. The Board of Directors has adopted the CSR Policy as recommended by CSR Committee. Under the CSR Policy, Company will broadly focus on medical relief and research, environment protection, promotion of education, social upliftment and any other activity as envisaged in the companies Act. The details of CSR policy are available on the company's website www.owmnahar.com
2. Composition of CSR Committee
 - Sh. Kamal Oswal, Chairman
 - Sh. Dinesh Gogna, Member
 - Dr. Yash Paul Sachdeva, Member (up to 26.09.2017)
 - Dr. Suresh Kumar Singla, Member (w.e.f. 26.09.2017)
3. Average net profit of the Company for last three financial years: ₹ 3,664.82 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 73.30 Lacs
5. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year: ₹ 4.78 Lacs
 - (b) Amount Unspent, if any: ₹ 68.52 Lacs*
 - (c) Manner in which the amount spent during the financial year is detailed below:

SR. No.	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	Cumulative Expenditure up to the Reporting period.	Amount Spent: Direct or through Implementing Agency
1	2	3	4	5	6	7	8
1	Donation of Machine to Engineering College for Practical Training	Education	MLV Textile and Engineering College, Bhilwara	₹ 4.78 Lacs	Direct	₹ 4.78 Lacs	Direct

Details of Implementing Agency : N/A

6. Reason for not spending the amount:

*The company joined hands with a recognized charitable organization, M/s. Oswal Foundation for the purpose of undertaking its CSR obligation. The said organization had done various activities under CSR. Last year the project of Eye Care which was under consideration could not be taken up and discarded. Now the said society is considering a new health care project for the benefit of a charitable hospital. The company is working proactively with the Oswal Foundation to finalize the project and identify new projects for fulfilling its CSR objectives. In the meantime amount of CSR obligation of Rs. 68.52 Lacs which could not be spent during FY 2017-18 has been set apart towards CSR activity reserve and would be carried forward to the next financial year. However, in July, 2018, the Company has issued a cheque amounting to Rs. 123.43 Lacs which includes the amount of Rs. 54.89 Lacs of CSR liability for the Financial Year 2016-17 in favour of Oswal Foundation for the purposes of CSR including promotion of charitable hospital being run by Mohan Dai Oswal Cancer Treatment & Research Foundation besides other charitable activities under CSR already approved.
7. The Chairman of the Corporate Social Responsibility (CSR) Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
Kamal Oswal
(DIN: 00493213)
(Managing Director &
Chairman, CSR Committee)

**ANNEXURE - D****Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st March, 2018**

[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 Ltd.
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 M/s. Nahar Industrial Enterprises Ltd (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, 2017 to 31st March, 2018 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Nahar Industrial Enterprises Ltd ("the Company") for the financial year ended on 31st March, 2018 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, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable as the Company has not issued further capital during the financial year under review)**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company as the Company has not made any such scheme during the Audit Period under review)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued Debt Securities during the Audit Period under review)**
- (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; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review)**
- (VI) Textiles (Development and Regulation) Order, 2001



(VII) Foods Safety and Standards Act, 2006

(VIII) Sugar Cess Act, 1982

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015

I Report that during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

2. I further report that

- 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 the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings and agenda, 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.
- All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

I further report that based on the information received and records maintained 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 SCO-6, Feroze Gandhi Market
Date : 14th August, 2018 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 Ltd.
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

Place: Ludhiana SCO-6, Feroze Gandhi Market
Date : 14th August, 2018 Ludhiana



ANNEXURE-E

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5(1), (2) and (3) OF 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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 is as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2017-18 (₹ in lacs)	% increase in Remuneration in the Financial year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Sh. Jawahar Lal Oswal (Chairman)	*0.40	-	0.33
2.	Sh. Kamal Oswal (Managing Director)	261.94	-34.80	214.70
3.	Sh. Dinesh Oswal (Non-Executive Director)	*0.40	-20.00	0.33
4.	Sh. Dinesh Gogna (Non-Executive Director)	*0.40	-20.00	0.33
5.	Sh. Navdeep Sharma (Non-Executive Director)	*0.40	-20.00	0.33
6.	Dr.(Mrs) Harbhajan Kaur Bal (Non-Executive Director)	*0.40	-20.00	0.33
7.	Dr. Yash Paul Sachdeva@ (Non-Executive Director)	*0.00	-100.00	0.00
8.	Sh. Amrik Singh Sohi (Non-Executive Director)	*0.20	-50.00	0.16
9.	Sh. Ajit Singh Chatha (Non-Executive Director)	*0.40	-20.00	0.33
10.	Dr. Vijay Asdhir (Non-Executive Director)	*0.40	-20.00	0.33
11.	Dr. Suresh Kumar Singla (Non-Executive Director)	*0.20	--	--
12.	Sh. Bharat Bhushan Gupta (Chief Financial Officer)	18.89	1.56	15.48
13.	Sh. Mukesh Sood (Company Secretary)	17.80	4.83	14.59

*Sitting Fee paid for attending the Board Meetings.

@Dr. Yash Paul Sachdeva ceased to be a director of the company w.e.f. 26.09.2017 upon the completion of his term.

- ii. In the financial year, there was an increase of 38.64% in the median remuneration of employees.
- iii. There were 11380 permanent employees on the rolls of Company as on 31st March, 2018.
- iv. Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year i.e. 2017-18 was 10% whereas the increase in the key managerial remuneration for the same financial year was -31.71%.

- v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- vi. Name of top 10 employees in term of remuneration drawn has been given hereunder:

Sr No	Name and Designation	Gross Remuneration (Rs. in Lacs)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age (in Yrs)	Last Employment held
1.	Sh. Kamal Oswal, Managing Director*	261.94	Contractual	B.com 34 years	01.02.1998	56	Nahar International Ltd.
2.	Mrs. Manisha Oswal President**	28.80	Regular	Graduate 6 years	01.04.2012	53	----
3.	Sh. Ved Ratan Sinha, Sr. General Manager	27.42	Regular	B.E. (Mech.) 22 years	19.07.2016	45	Khanna Paper Mills
4.	Sh. Vinay Srivastav General Manager	26.52	Regular	Diploma in Textiles 23 years	18.05.2017	41	LNJ Group
5.	Sh. Abhinav Oswal Manager ***	23.44	Regular	B.B.A. 2 years	18.07.2016	24	----
6.	Sh. Harish Pahwa General Manager	22.54	Regular	B.A. 44 years	01.04.1997	65	Oswal Vanaspati
7.	Sh. Arun Kumar Nijhawan, President#	19.62	Regular	B.Tech (Textiles) 36 years	04.07.1995	57	Vardhman Group
8.	Sh. Bharat Bhushan Gupta Chief Financial Officer	18.89	Regular	CA 40 years	20.11.1979	61	----
9.	Sh. Daljeet Singh Viridi, Vice President	18.88	Regular	CA 34 years	07.09.1993	63	Metro Tyres Ltd.
10.	Sh. Mukesh Sood Company Secretary	17.80	Regular	CS 25 years	19.09.1999	51	Nahar International Ltd.

* Sh. Kamal Oswal is a relative of Sh. Jawahar Lal Oswal and Sh. Dinesh Oswal, directors of the Company.

** Mrs. Manisha Oswal is a relatives of Sh. Kamal Oswal, Vice-Chairman-cum-Managing Director and Sh. Jawahar Lal Oswal, Director of the Company.

***Sh. Abhinav Oswal is a relative of Sh. Kamal Oswal, Vice-Chairman-cum-Managing Director of the Company.

#Employees who have left the organization in the financial year 2018-19.

None of these employees is holding equity shares in the Company within the meaning of rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**ANNEXURE-F****Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo required under the Companies (Accounts) Rules, 2014****A 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 conservation.
 - iv) Company has installed Biomass/multifuel Co-generation power plant at Lalru & Amluh, 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 : Nil

(iv) Expenditure on R & D		(₹ in Lacs)	
	Current Year	Previous Year	
a) Capital	123.85	0	
b) Recurring	39.08	46.17	
Total	162.93	46.17	

C FOREIGN EXCHANGE EARNING & OUTGO

(i) Total foreign exchange earnings and outgo:		(₹ in Lacs)	
	Current Year	Previous Year	
Earnings (FOB Value of Exports etc.)	16,300.07	15,324.09	
Outgo (CIF Value of Imports, expenditure in - foreign currency and others payments)	14,260.68	6,800.69	

For and on behalf of the Board of Directors

Place: Ludhiana
Date: 14th August, 2018

Jawahar Lal Oswal
(DIN : 00463866)
Chairman



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 which emerges from the application of the best management practices and compliance with the laws. Thus, we have adopted various codes and policies as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). 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, 2018 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 Listing Regulations.
- ii. The Board met 4 (four) times during the period April, 2017 to March, 2018 on – 30.05.2017, 14.08.2017, 14.11.2017 & 14.02.2018 with a clearly defined agenda. The maximum time gap between 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 Chairpersonship (in **Audit Committee & Stakeholder Relationship Committee**) held by them in other public limited companies incorporated in India, as on 31.03.2018 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 Attended	Last AGM Attended	Directorship	Committee Membership	Committee Chairmanship/ Chairpersonship
Sh. Jawahar Lal Oswal*	Chairman	Promoter Non Executive Director	4	No	9	–	–
Sh. Kamal Oswal*	Vice Chairman cum Mg. Director	Promoter Executive Director	4	Yes	9	1	–
Sh. Dinesh Oswal*	Director	Promoter Non Executive Director	4	Yes	8	–	–
Sh. Dinesh Gogna	Director	Non Executive Director	4	Yes	9	5	2
Sh. Navdeep Sharma	Director	Non Executive Director	4	Yes	9	4	1
Dr. (Mrs.) Harbhajan Kaur Bal	Director	Independent Director	4	No	5	2	–
Dr. Amrik Singh Sohi	Director	Independent Director	2	No	4	2	1
Sh. Ajit Singh Chatha	Director	Independent Director	4	No	4	2	–
Dr. Vijay Asdhir	Director	Independent Director	4	Yes	1	1	1
Dr. Yash Paul Sachdeva #	Director	Independent Director	0	No	–	–	–
Dr. Suresh Kumar Singla #	Director	Independent Director	2	No	5	3	3

* 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.

Dr. Yash Paul Sachdeva, ceased to be Director of the Company w.e.f. 26.9.2017 & Dr. Suresh Kumar Singla has been appointed as an Independent Director of the Company w.e.f. 26.09.2017.

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. Navdeep Sharma	1

**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 from him as a director of the Company. The Vice Chairman cum Managing Director also has a one to one discussion with the newly appointed directors to familiarise them with the Company's operations. 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 Companies Act, 2013 and Listing Regulations, the Company has devised a policy for evaluation of Independent Directors, Board, its committees and other directors as per the criteria laid down thereunder. The performance evaluation of the Independent Directors was carried out by the Board excluding the director being evaluated and that of the Chairman and of the Non-independent Directors was carried out by the Independent Directors. 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, 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 2017-18 are given below:

(Amount In Rs)

Name of the Directors	Sitting Fee	Salary, Allowance & Perquisites	Performance Incentives	Commission	Total
Sh. Jawahar Lal Oswal	40,000/-	Nil	Nil	Nil	40,000/-
Sh. Kamal Oswal	Nil	2,61,94,120/-	Nil	Nil	2,61,94,120/-
Sh. Dinesh Oswal	40,000/-	Nil	Nil	Nil	40,000/-
Sh. Dinesh Gogna	40,000/-	Nil	Nil	Nil	40,000/-
Dr. (Mrs.) Harbhajan Kaur Bal	40,000/-	Nil	Nil	Nil	40,000/-
Sh. Navdeep Sharma	40,000/-	Nil	Nil	Nil	40,000/-
Dr. Yash Paul Sachdeva#	Nil	Nil	Nil	Nil	Nil
Dr. Amrik Singh Sohi	20,000/-	Nil	Nil	Nil	20,000/-
Sh. Ajit Singh Chatha	40,000/-	Nil	Nil	Nil	40,000/-
Dr. Vijay Asdhir	40,000/-	Nil	Nil	Nil	40,000/-
Dr. Suresh Kumar Singla#	20,000/-	Nil	Nil	Nil	20,000/-

Dr. Yash Paul Sachdeva ceased to be Director of the Company w.e.f. 26.09.2017 & Dr. Suresh Kumar Singla has been appointed as an Independent Director of the Company w.e.f. 26.09.2017.

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 2017-18.

Place : Ludhiana
Dated : 14th August, 2018

Kamal Oswal
(DIN : 00493213)
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 Listing Regulations. The committee consisted of three non executive Director namely Sh. Dinesh Gogna, Dr. Vijay Asdhir and Dr. (Mrs.) Harbhajan Kaur Bal. Dr. Vijay Asdhir, an independent non executive director is the Chairman of the Committee. All committee members have requisite experience in the field of finance and are well versed in financial and accounting matters. Mr. Bharat Bhushan Gupta, Chief Financial Officer, Statutory Auditors and Internal 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 2017 to March, 2018 i.e. 30.05.2017, 14.08.2017, 14.11.2017 & 14.02.2018 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
Dr. Vijay Asdhir	Chairman	Independent Non-Executive Director	4	4
Dr. (Mrs.) Harbhajan Kaur Bal	Member	Independent Non-Executive Director	4	4

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, internal 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 Regulations. 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 Listing Regulations. The Committee consisted of three independent non executive directors namely Dr. Vijay Asdhir as Chairman, Dr. Yash Paul Sachdeva and Dr. (Mrs.) Harbhajan Kaur Bal as members. The committee was re-constituted on 02.10.2017 consisted of three independent non executive directors namely Dr. Vijay Asdhir as Chairman, Dr. Suresh Kumar Singla and Dr. (Mrs.) Harbhajan Kaur Bal as members. The Committee met on 14.08.2017 in the Financial year 2017-18 and all the members were present in the meeting.

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 carryout 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 Regulations.

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 Listing Regulations. 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, Dr. Vijay Asdhir and Dr. Yash Paul Sachdeva. The committee was re-constituted on 02.10.2017 consisted of directors namely Sh. Kamal Oswal, Sh. Dinesh Gogna, Dr. Vijay Asdhir and Dr. Suresh Kumar Singla. Mr. Mukesh Sood, Company Secretary is the compliance officer of the Company. The Committee met 4 (four) times during the period April 2017 to March, 2018 i.e. 30.05.2017, 14.08.2017, 14.11.2017 & 14.02.2018 in the financial year 2017-18 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
Dr. Vijay Asdhir	Member	4	4
Dr. Yash Paul Sachdeva#	Member	2	-
Dr. Suresh Kumar Singla#	Member	2	2

Dr. Yash Paul Sachdeva, ceased to be Director of the Company w.e.f. 26.9.2017 & Dr. Suresh Kumar Singla has been appointed as an Independent Director of the Company w.e.f. 26.09.2017

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
Status of Shareholder's queries/grievance	Nil	60	Nil

D. CSR Committee

The Company has constituted a CSR committee pursuant to the requirements of section 135 of the Companies Act, 2013. Presently the committee consisting of Sh. Kamal Oswal, Chairman, Sh. Dinesh Gogna and Sh. Suresh Kumar Singla as members since 14.11.2017. Mr. Suresh Kumar Singla has been appointed in place of Dr. Yash Paul Sachdeva who ceased to be director of the company w.e.f. 26.09.2017. 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
2014-15	Registered Office	30.09.2015	10.00 A.M.	-
2015-16	Registered Office	30.09.2016	10.00 A.M.	1
2016-17	Registered Office	29.09.2017	10.00 A.M.	4

No special resolution was passed during the year through postal ballot.

- 5. Means of Communication** 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. Financial Express (English) and Desh Sewak (Punjabi). These results are also posted on the Company's website at: www.ownahar.com. 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 and BSE electronic listing portal. A separate dedicated section under the tab "Investor Relations" 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 Policies & 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 Codes".

6. General Shareholder's Information

- | | |
|---|--|
| i. Annual General Meeting
Day, Date, Time and Venue | Friday, the 28 th day of September, 2018 at 10.00 A.M.
at Focal Point, Ludhiana - 141010 (Punjab) |
| ii. Financial Year
Financial Results for the financial year 2018-19 will be announced tentatively in :-
July-August, 2018
October-November, 2018
January-February, 2019
April-May 2019 | April to March

First Quarter Results
Second Quarter Results
Third Quarter Results
Fourth quarter & Annual audited results. |
| iii. Book Closure | 22.09.2018 to 28.09.2018 (both days inclusive). |
| iv. Dividend | The Board of Directors has not recommended any dividend for the financial year ended 31.03.2018. |

**Unclaimed Dividend**

The Company had paid dividend @ 10% on equity shares of the Company for the financial year 2010-11, 2012-13, 2013-14, 2015-16 & 2016-17. Members who have not claimed the dividend for the aforesaid period may approach to the Share Department of the Company.

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company to the Investor Education and Protection Fund ("the IEPF"), a fund established under sub-section (1) of section 125. The details of unclaimed/ unpaid dividend are available on the website of the Company viz. www.owmnaahar.com

Unpaid/unclaimed dividend for 2010-11 is due for transfer to the Investor Education and Protection Fund after the expiry of seven years, as per rule.

Details of Unpaid/Unclaimed dividend:

Financial Year	Due date
2010-11	26.10.2018
2012-13	05.11.2020
2013-14	05.11.2021
2015-16	05.11.2023
2016-17	02.11.2024

Mandatory Transmission of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA)

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA). During the Financial year 2017-18 the Company has transmitted 11,60,874 equity shares to IEPF Account on which dividend remain unclaimed for seven consecutive years.

Upon transmission of such shares, all benefits (like bonus shares etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The list of members whose shares have been transmitted to IEPF Authority is displayed on the web site of the company at web-link : www.owmnaahar.com/nahar_ie/transfer-of-Equity-Shares.php.

Shares which are transmitted to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

v. Listing on Stock Exchange

The equity shares of the Company are listed at:

1. BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street ,Mumbai- 400001.
2. National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

Annual Listing Fees for the financial year 2018-19 has already paid to both the stock exchanges.

vi. Stock Code

BSE – **519136**, NSE – **NAHARINDUS**, ISIN- **INE289A01011**



vii. **Distribution of Shareholding as on 31.03.2018**

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate Shares held	% of Shareholding
1-500	56745	96.34	4305454	10.81
501-1000	1196	2.03	898126	2.26
1001-2000	448	0.76	672008	1.69
2001-3000	160	0.27	404078	1.01
3001-4000	68	0.11	243205	0.61
4001-5000	64	0.11	296790	0.75
5001-10000	92	0.16	667646	1.67
10001 & above	128	0.22	32347834	81.20
Total	58901	100.00	39835141	100.00

viii. **Shareholding Pattern as on 31.03.2018**

Shares held by	No. of Shares	% of shareholding
Promoters	27384787	68.75
Mutual Funds & UTI	13373	0.03
Bank & Financial Institutions	29316	0.07
Insurance Companies	169463	0.43
Foreign Holding (NRIs)	302553	0.76
Private Bodies Corporate (Others)	684891	1.72
IEPF Authority	1160874	2.91
Indian Public	10089884	25.33
Total	39835141	100.00

ix. **Dematerialisation of Shares**

As on 31.03.2018, 94.27% of equity share capital is held in dematerialized form under **ISIN-INE289A01011**.

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

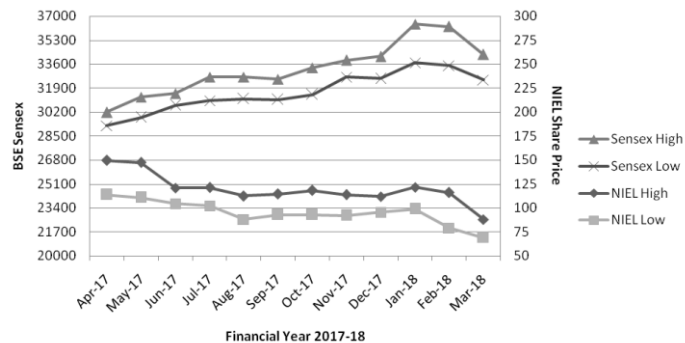
The Company has not issued any GDRs/ADRs/Warrants during the year.

xi. **Stock Market Data**

Month	NSE		BSE	
	High	Low	High	Low
Apr-2017	149.90	112.30	149.70	113.65
May-2017	148.00	111.80	147.20	110.85
June-2017	122.00	104.15	121.00	104.45
July-2017	121.40	100.35	121.30	102.20
August-2017	112.50	86.55	112.50	88.00
September-2017	114.50	93.20	114.35	92.80
October-2017	114.00	94.35	118.35	92.70
November-2017	114.00	93.00	113.70	92.00
December-2017	111.75	93.00	112.00	95.50
January-2018	119.95	93.90	121.60	99.00
February-2018	102.00	86.15	116.00	79.00
March-2018	88.60	70.30	88.05	69.00

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 Heights, 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
share@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 Stakeholders Relationship Committee approves 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

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

7. Disclosures**i. Nomination and Remuneration Policy****Introduction**

The Nomination and Remuneration Policy (the "Policy") of Nahar Industrial Enterprises Limited (the "Company") has been formulated in compliance of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred as "Listing Regulations". The policy deals with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The Policy has been recommended by the Nomination and Remuneration Committee (the "Committee") and approved by the Board of Directors (the "Board") of the Company.

Purpose of the Policy

The purpose of the policy is to

- i) lay down the criteria to identify persons who are qualified to become directors and who may be appointed in senior management and key managerial personnel and to determine their remuneration
- ii. evaluate the performance of each director, Board and its committees
- iii. formulate the criteria for determining qualifications, positive attributes and independence of a director
- iv. devise a policy on diversity of Board of Directors

Appointment Policy

The Company recognizes the benefits of having a diverse Board as an essential element in maintaining a competitive advantage in the business in which it operates. In this process the Nomination and Remuneration Committee/ Board



will take into consideration person of eminence, standing and knowledge with significant achievements in business, professions or public service; their financial or business literacy; other appropriate qualification or experience to meet the objectives of the Company; and as per the provisions of the Companies Act, 2013, rules made thereunder and the Listing Regulations.

Directors including independent director shall be a person, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; perform his duties and responsibilities in a bona-fide 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. An Independent director should meet the requirements of the Companies Act, 2013 and Listing Regulations concerning independence of directors.

The Nomination and Remuneration Committee also recommend the appointment of Key Managerial Personnel and Senior Management. While selecting and recommending any candidate at this position, the Committee takes in to consideration the merits, qualification, experience, expertise his ability to effectively discharge their duties and responsibilities.

Remuneration Policy

The remuneration package of the Company ensures that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- ii. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. the balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals. The Board on the recommendation of the Committee reviews and approve the remuneration payable to the Managing Director/ Whole-time Director and Key Managerial Personnel. The Board and the Committee considers the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Managing Director/ Whole-time Director and Key Managerial Personnel.

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 shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

The remuneration/ sitting fees, as the case may be, to the Non-Executive Directors/ Independent Directors, shall be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder for the time being in force or as may be decided by the Committee/ Board/ Shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and Listing Regulations, as amended from time to time.

Review And Amendment

The Committee or the Board may review the policy as and when it deems to be necessary. Any subsequent amendment/ modification in the Listing Regulations and/ or other applicable laws in this regard shall be applicable to this Policy.

ii. Accounting Treatment in Preparation of Financial Statements

The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2016 and accordingly, the financial statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and the other accounting principles generally accepted in India. 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 Listing Regulations 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 company's weblink at www.ownahar.com/nahar_ie/pdf/RPT_Policy.pdf. As required by the Indian Accounting Standard (Ind AS) the details of related party transactions are given in Note No. 38 of the notes to Financial Statement.

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 Listing Regulations 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 its official weblink at www.ownahar.com/nahar_ie/pdf/Vigil_Mechanism_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. Policy to Determine Material Subsidiary

The Company does not have any subsidiary as defined under Listing Regulations.

vii. Compliance with Corporate Governance

The Company is fully compliant with the applicable mandatory requirements of Listing Regulations and also partial compliant of non mandatory requirements. The Company may also take up the non mandatory requirements of Part E of Schedule II of Listing Regulations in due course of time.

viii. Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account

- a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- c. Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable

All the shares of the Company has already been allotted to the eligible allottees, hence there is no demat suspense account/ unclaimed suspense account.

For and on behalf of the Board of Directors

**Place : Ludhiana
Dated : 14th August, 2018**

**Jawahar Lal Oswal
(DIN: 00463866)
Chairman**



CEO/CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we have certified to the Board that for the financial year ended 31st March, 2018 the Company has complied with the requirements stated thereunder.

For Nahar Industrial Enterprises Limited

**Place : Ludhiana
Dated: 30.05.2018**

**Kamal Oswal
(DIN: 00493213)
Vice Chairman-cum-Managing Director**

**Bharat Bhushan Gupta
Chief Financial Officer**

**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER
PART E OF SCHEDULE V OF SEBI (LISTING AND OBLIGATIONS DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

To,
The Members of
Nahar Industrial Enterprises Limited

We have examined the compliance of regulations of Corporate Governance by Nahar Industrial Enterprises Limited ("the Company") for the year ended on 31st March 2018, as prescribed in para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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 para C of Schedule V of the above mentioned Regulations.

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

**For K R Aggarwal & Associates
Chartered Accountants
FRN: 030088N**

**Place : Ludhiana
Dated : 14th August, 2018**

**KANIKA
(Partner)
M. No. : 539337**



Management Discussion and Analysis report 2018

Overview of the economy

During the year under review, as noted by the World Bank, the global economic growth improved on the back of growth momentum in advanced as well as emerging economies.. The international monetary fund has revised its growth forecast upwards for US economy from 2.3% to 2.7% in 2018. In Europe too, economic activity is projected to remain stronger in the coming year. Key emerging markets and developing countries including Brazil and China shown positive growth. As per Economic Survey by Ministry of Finance, in the year FY18 Indian economy is expected to end with GDP growth around 6.5% compared to 7.1% during FY17 as Agriculture and Industry sector is still showing signs of slower recovery.

In 2017-18, Indian economy had to bear the twin challenges of the after effects of demonetization and the mid-year roll out of the new Indirect tax system Goods and Service Tax (GST). The year 2017 was a momentous one as the Indian economy embraced the biggest economic reform of GST within a year of demonetisation. This move towards 'One nation, One market, One tax' will provide a big boost towards economic inclusion of a largely unorganized textile sector. After adjusting with structural reforms of GST within a year of demonetization, the Indian economy showing signs of recovery on the strength of growing domestic demand and push to the public infrastructure spending by the Govt. of India. To give a further boost to the economy, the Central Government has initiated several key reforms like Adoption of Insolvency and Bankruptcy Code, Bank Recapitalization Programmes and further liberalization in the FDI etc.

Industry Structure/ Development (Textiles)

The Indian Textile Industry is one of the largest in the World. The Indian textile and clothing industry (Textile industry) is one of the oldest industries of the country. The uniqueness of the industry lies in its strength both in the hand woven sector as well as in the Mills Sector. The textile industry has two broad segments. First, the unorganized sector consisting of handloom, handicrafts and sericulture and the second is the organized sector consisting of spinning, weaving, knitting, garments and home textiles segment. The unorganized segment mainly depends on traditional method of operations whereas the organized sector has applied modern machinery and techniques. The textile industry has a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings of the country and meets out one of the basic needs of the people at large popularly pronounced as Kapda. The textile industry contributes to 7% of industry output in value terms and to 15% of the Country's export earnings with over 45 million people employed directly (Source : Annual Report 2017-18, Ministry of Textiles, Government of India).

The year under review was tough year for the Textile industry with lot of challenges. The Central Government rolled out Goods & Services Tax (GST) from July 1, 2017 to create level playing field across organized and unorganized sector. It was a biggest indirect tax reform and implementation of GST was to boost the economy. The growth in Textile sector largely depends on consumer spending. There are multiple factors which affects consumer spending like economic condition, disposable income, employment and consumer credit availability. The short term negative impact on consumer demand has adversely impacted the Textile industry as a significant portion of the textile industry was getting operated as unorganized sector. Traditionally the textile Industry has more or less remained outside the purview of indirect taxation. Implementation of GST led to a significant disruption in the highly unorganized sector which prevailed much longer than expected. This first led to freeze on stock movement and later squeeze of cash from the system. The initiative taken by the Government is expected to provide a huge fillip to the industry.

Overall, the Government has been supportive in encouraging textile industry in India. In order to achieve sustainable growth, modernization, value addition, increase in exports and for overall development of the textile sector in the country, the Government has been implementing various policy initiatives and schemes such as the Technology Upgradation Fund Scheme (TUFS), Schemes for the development of the Power loom Sector, Schemes for Technical Textiles, Scheme for Integrated Textile Parks (SITP), Integrated Skill Development Scheme (ISDS), Integrated Processing Development Scheme (IPDS) etc. The Cabinet Committee on Economic Affairs Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector. The Government in its Budget Proposal of 2018-19 has enhanced the outlay at Rs. 7,148 Crores for the textile sector so that industry continues to invest in building spinning capacities, cutting edge technology, designing etc. to remain globally competitive and also moves up in the textile value chain. The Government has designed Pradhan Mantri Paridhan Rojgar Protsahan Yojana (PMPRPY) to incentivize employers in the apparel sector for generation of new employment. Under the PMPRPY, government provides additional 3.67% of the employer's contribution in addition to Government bearing 8.33% of employer contribution of Provident Fund (EPF).

Management perception of /Risk/Concern/Threat

Cotton is the primary raw material for the textile industry. Availability of raw cotton at the reasonable prices is crucial for the textile industry; any significant change in the raw cotton prices can affect the performance of the industry. Cotton is largely dependent on Monsoon as approximately 62% of India's cotton is produced on rain fed area and 38% on



irrigated land. India is the largest producer and 2nd largest exporter of cotton in the world. India exports cotton mainly to Bangladesh, China, Vietnam, Pakistan, Indonesia, Taiwan etc. India has the largest acreage with 123 lakh hectares under cotton cultivation i.e. around 42% of the world area of 293 lakh hectares. In terms of productivity, India ranks poorly compared to USA & China. It is expected that during 2017-18, India's productivity may remain at around 525-530 kg/ha. (Source: Ministry of Textiles Annual report 2017-18). Ever since launch of "Technology Mission on Cotton" by Government of India in February 2000 Production and productivity of cotton in India have improved significantly. The Cotton prices remained volatile throughout the year and impacted the financial performance of the Industry. During the year, Indian cotton production suffered a major hit due to pink ball worm attack which affect the quality of cotton and drove its prices. Minimum Support Price (MSP) is being announced by the government in order to protect the interest of cotton farmers. The announcement of minimum support price for Cotton at Rs 5150 to Rs. 5450 per quintal by the Ministry of Agriculture could led to strengthening of the cotton prices and may impact the textile industry adversely.

The risk of inflation, increasing prices of raw material, rising labour cost, high transport cost, rising International oil prices, higher current account deficit, declining exports, rising imports, , and rupee weakening are other key challenges faced by the Indian textile industry. While both a weak and a strong rupee have advantages and disadvantages, minimum volatility in currencies is good both for industry and economy. Weak investments and below par levels of productivity that can affect the profit margins are other challenges being faced by the Industry at large. Moreover slow down in the lending by the Bank are affecting expansion/ modernization programme of the Industry.

Indian textile industry is facing tough competition from other Asian Countries like Bangladesh, Vietnam, Pakistan and Sri Lanka due to favourable tariff structures on exports to developed markets. GSP plus for Sri Lanka, zero duty for Bangladesh to the EU are serious challenges. For Sri Lanka, the EU has taken several initiatives for export competitiveness. Myanmar, Cambodia, Ethiopia and Vietnam also have substantial tariff benefits to the EU.

The advanced economies whimsical move most importantly the growing protectionism policy which holds out the risk of a global trade war. The mounting trade tension between two largest economies of the world i.e. USA and China is posing a risk of slow down. The response to this by the US's major trading partners and China's hegemonic ambitions all have the effect of disturbing balance across markets.

Opportunities & Outlook

The year under review was marked by structural reforms; implementation of GST, growing resolution of problems associated with non-performing assets, FDI liberalization,

bank recapitalization etc. As a result of Central Government pro-reform agenda, the Country has improved its position as per the World Bank's Ease of Doing Business Report 2017. With the Government's continuing efforts for reforms and initiatives for ease of doing business, it is expected that in the coming years, the growth of the Indian economy will further accelerate. RBI's efforts on controlling inflation are continuing. Though RBI has taken some remedial measures in this regard but still a lot more is required so that the textile Industry could meet the challenges ahead. The rural economy is likely to see an improvement in view of the various proposals contained in the Union Budget 2018-19. Once rural economy starts growing it will be beneficial for industry at large.

China's slow investment in textiles and shift to high tech industries will have a positive impact on textile exports in the coming years. China has been losing market share over the last few years and its declining market share has provided an opportunity for other key textile exporters including India to scale up and excel in this sector. Further, USA's withdrawal from Trans-Pacific Partnership and chances of termination of North American Free Trade Agreement between USA – Canada – Mexico for free trade will increase their cost due to application of import duties amongst their countries. The developed countries all have accepted the reality that commercially it is not viable for them a thriving textile industry because of high cost of labour and skilled manpower. These countries are looking at India as suitable and reliable choice for their requirements. This shift is expected to happen in the long run which is providing new place of opportunities as per the theory of "expected vacating places", to make India a dependable source of supply of textile products for the world. Consequently, Indian textile industry has opportunity to promote exports.

Domestic demand is showing sign of recovery, if it sustains will be the biggest boost for the economy and industry. India's consumption growth story, driven by favourable demographic trends and rising income level, is still intact and will further improve the fortunes of the industry. The Indian economy is emerging as a growth engine of the world and seeing huge opportunity of the retail sector in domestic markets several international players like Mark & Spencer, GAP, IZOD etc. have established their presence in the Indian markets which will also create huge opportunity for the Textile Industry in the Domestic Market. Further, the Growth of the Indian E-Commerce companies like Amazon, Flipkart, Jabong and Myntra etc. has also provided an opportunity to the Indian Textile Industry to Increase its business in domestic Market. This led to the growth in demand for products creating huge domestic market.

The Indian economy, which is one of the fastest growing economies of the world, has shown a remarkable resilience in adjusting with structural reforms. The textile sector has perfect alignment with Government's key initiatives of Make in India, Skill India, women empowerment and Rural Youth



Employment. With the right Government policies, we believe that the Indian Textile industry is well poised to benefit from the large opportunities offered in the domestic and export market. The Indian textiles industry, currently estimated at around US \$ 120 billion but 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).

The Government must support the industry to retain its competitive edge. Key reforms like Bankruptcy Code, implementation of GST and thrust towards digitization are expected to do well for economic growth. In India, the General elections are due in the next year. A stable government is good for the growth of Industry and economy. Industry could expect required reforms from stable Government. For India though the long term prospects for continued growth remain there, actual pace will depend on revival in private sector investment; long term players would need to continue to incur investment to both sharpen competitiveness, reduce costs to capture the potential of evolving demand.

Your Company positioned itself as integrated textile with (approx) 2.60 lakh spindles and 7600 rotors, 515 looms, 62.40 Million meters (Per annum) processing capacity, Rotary Printing set-up - prints of Woven and Denim Products 21.6 million meters(Per annum), Calendaring Machine (for Special Finishes) 12 million meters (Per annum) and Soft Flow Dyeing Machine - Rayon and Modal Products 2 million meters (Per annum) to reap the benefits of economies of scale and become 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 improvement in efficiency of both human and mechanical assets, to reduce the cost pressure. The Company keeps reviewing its strategy in the light of changes. However with the Industry's increasing preparedness, awareness and recognition of its potential by the government, the emerging opportunities can be better achieved.

Industry structure/Development (sugar)

Sugar is produced in over 120 countries in the world. Brazil is the leading sugar producer and also dominant exporter. India is second largest producer of Sugar and largest consumer of sugar in the world. Sugar is India's second largest agro-based industry after Textiles. The Indian sugar industry is highly fragmented by the co-existence of private, co-operative and public sector. The crushing period in India varies from region to region beginning in Oct/Nov and goes on till March/April except in southern states where it continues till July/Aug depending upon the availability of sugar cane.

Indian Sugar Industry is expected to produce the highest ever sugar production in the current 2017-18 sugar season. The unprecedented high sugar production in 2017-18 sugar

seasons has exerted a pressure on sugar price. Anticipating higher sugar production, with a view to improve the viability of sugar industry the Government of India has taken certain policy measures namely introduced stock holding limit for two months, increased the duty on sugar import from 40% to 50% in July'17 and further to 100% in Feb'18; dropped export duty on sugar from 20% to Zero in March, 2018; and introduced exports under Minimum Indicative Export Quota (MIEQ) Scheme and creation of buffer stock for a period of one year w.e.f. July, 2018.

Management perception of Risk/Concern/Threat

One of the major challenges with the Sugar sector today is that there has been a partial decontrol of the sector as Cane pricing, payments, Cane area and distribution is still controlled by the State Government. Though, from time to time there are recommendations like Rangarajan Committee to link Cane Price with Sugar Price but it is still to be done. The Central Government also keeps on regulating the sector through their control on stock, Export Import policies, Duty structure, Sale quotas, etc. to manage supply / price situation as volatile Production keeps on posing challenges. Till last year 2016-17, due to deficit Sugar Year, the Government was discouraging exports and allowed duty free imports. Now during 2017-18 due to surplus Sugar production policy has changed and Government is discouraging imports and encouraging exports of Sugar.

Indian Sugar Production has historically been cyclical in nature with 3-4 years of bumper crop usually followed by 2 years of shortfall. The shortage years helped to restore Mills and farmers financial position. However this cyclical pattern has been broken lately with Sugar production outpacing consumption for six consecutive years from 2010-11 until 2015-16. While, 2016-17 brought some respite with less Production of sugar.

The Indian sugar industry is struggling to recover their costs mainly due to surplus sugar production, which in turn, leads to surplus sugar stock and massively depressed sugar prices. However, with such a huge increase in the sugarcane price in India, mainly because of the massive increase in the FRP/SAP in the recent years, sugarcane production has continuously been so high that we have had continuous surplus sugar availability since 2010-11.

The sugar industry is more vulnerable to government policies being regulated by the Central and state Governments that influence the cost of production. The spurt in cane procurement prices affects the viability of company. The disequilibrium between sugar and sugarcane prices creates periodical pressures, more particularly when the industry is facing challenges. In view of fragmented capacity and high input costs, India suffers systemic uncompetitiveness in the world market. The management of your company periodically reviews to identify the major business risks as applicable to the Company and works out their mitigation strategy.

**Opportunities and Outlook**

Sugar industry has huge opportunities to meet the country's food, fuel and power needs in eco-friendly manner. This sector is the focal point of socio-economic development of the rural India. The long term outlook for sugar industry remains positive and promising on account of; growing energy consumption in India allowing the sugar industry to play a vital role, environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output, mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.

The sugarcane prices are likely to go up with hike in FRP/SAP based on the reported recommendations of CACP. With the high surplus sugar production, sugar prices are expected slide down further. This would put pressure on the industry in general. The sugar industry will have to deal with the impact of rising input costs and lower sugar prices.

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 financial control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures optimal utilization and protection of Company's resources. The internal Auditors monitors and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and also ensures that the internal control systems are properly followed by all concerned departments of the company. Significant audit observations

and corrective actions taken thereon are presented to the Audit committee of the Board.

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. Your company is committed towards building a safe work place with underlining safe work practice. The total permanent employee's strength was 11380 as on 31/03/2018. The industrial relations were cordial and satisfactory.

Cautionary statement

Though the statement and view expressed in the said report are on the basis of certain assumptions and best judgment but actual results could differ from whatever is stated in the report. Important factors that could make a difference to the Company's operation include global demand-supply conditions, finished goods prices, raw materials cost and availability, changes in Government regulations and tax structure, economic development within India and the countries with which the Company has business. The Company assumes no responsibility in respect of forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

For and on behalf of the Board of Directors

Place: Ludhiana
Dated: 14th August, 2018

Jawahar Lal Oswal
(DIN: 00463866)
Chairman



Independent Auditor's Report

To the Members of**Nahar Industrial Enterprises Limited.****Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS financial statements of Nahar Industrial Enterprises Limited ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, the changes in Equity and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Standalone Ind AS financial statements 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 including the Ind AS, of the state of affairs of the company as at 31 March, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other matter

The audited standalone financial statements for the year ended 31 March 2017, was carried out and reported by Raj Gupta & Co, vide their unmodified audit report dated 30th May 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - a. We have sought and 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 it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" expressed unmodified opinion;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements - Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K R Aggarwal & Associates

Chartered Accountants

FRN NO:-030088N

Place : Ludhiana
Dated: 30th May 2018**Kanika**
Partner
M.No.539337



**“ANNEXURE A” TO THE INDEPENDENT AUDITORS' REPORT
Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements.”**

The Annexure referred to in Independent Auditor's Report to the members of the company on the Standalone Ind AS financial statements for the year ended 31st March 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of regular intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company except for Land measuring 66.11 acres situated at village Jalalpur, chd-ambala road, Lalru district Mohali.
- ii. (a) According to information and explanations given, the management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to Books records which has been properly dealt with in the books of account were not material.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted loans, or given guarantees and security. So the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable. However, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the sub section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that prima facie, the prescribed records have been maintained. We have, however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Goods and Service tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no

undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, there are no dues of Custom Duty/ Cess. However, following demands of income tax, sales tax, service tax, duty of excise, value added tax and Employees State Insurance outstanding on account of any dispute.

Name of the Statute	Nature of the dues	Amount (Rs. in Lacs)	Forum where dispute is pending
Punjab VAT Act, 2005	Sales Tax demand	20.99	DETC Appeal, Ludhiana
	Sales Tax demand	36.75	Sales Tax Tribunal, Chandigarh
The Central Excise Act, 1944	Excise Duty Demand	303.31	Commissioner Appeal, Chandigarh
	Excise Duty Demand	1.17	CESTAT Delhi
Finance Act, 1994	Excise Duty Demand	47.54	Commissioner Appeals, 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
The Income Tax Act 1961	Service Tax Demand	166.72	Commissioner Appeal Chandigarh
	Income Tax Demand	1339.89	CIT (Appeals), Ludhiana
The Employee's State Insurance Act 1948	ESI Demand	29.98	Civil Judge (Sr. Div.) ESI Court, Ludhiana

* Excluding amount deposited under protest.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and government. The company did not have any outstanding debentures during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Term Loans have been applied by the company for the purposes for which they were raised.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required Ind AS 24.



- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and

hence not commented upon.

- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For K R Aggarwal & Associates
Chartered Accountants
FRN NO:-030088N

Kanika
Partner
M.No.539337

Place : Ludhiana
Dated: 30th May 2018

**Annexure B” to the Independent Auditor’s Report
(Referred to in Paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirement’
section of our report of even date)**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of *Nahar Industrial Enterprises Limited* (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K R Aggarwal & Associates
Chartered Accountants
FRN NO:-030088N

Kanika
Partner
M.No.539337

Place : Ludhiana
Dated: 30th May 2018



BALANCE SHEET AS AT 31st MARCH, 2018

PARTICULARS	NOTE No.	As At 31 st March, 2018 (₹ in Lacs)	As At 31 st March, 2017 (₹ in Lacs)
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	3	54,315.73	53,260.41
b) Capital work in progress		4,514.63	5,557.51
c) Investment Property	4	1,597.36	1,220.73
d) Other Intangible assets	5	19.73	62.50
e) Financial Assets			
i) Investments	6a	12,716.11	13,654.39
ii) Loans	6b	1,054.38	1,042.08
f) Other non current assets	7	175.86	199.85
Total Non-Current Assets		<u>74,393.80</u>	<u>74,997.47</u>
Current Assets			
a) Inventories	8	80,288.07	64,346.26
b) Financial Assets			
i) Trade receivable	9a	18,012.24	20,937.45
ii) Cash and cash equivalents	9b	72.16	167.75
iii) Other bank balances	9c	128.23	109.59
iv) Loans	9d	83.60	73.25
v) Other Financial assets	9e	2,437.63	2,587.79
c) Other current assets	10	15,299.27	11,153.40
Total Current Assets		<u>116,321.20</u>	<u>99,375.49</u>
TOTAL ASSETS		<u>190,715.00</u>	<u>174,372.96</u>
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	4,003.42	4,003.42
b) Other Equity	12	65,639.29	64,917.41
Total Equity		<u>69,642.71</u>	<u>68,920.83</u>
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	13a	30,296.39	33,143.56
ii) Other Financial Liabilities	13b	706.28	553.81
b) Provisions	14	925.37	642.00
c) Deferred tax liabilities (Net)	15	209.36	595.76
d) Other non-current liabilities	16	23.85	47.64
Total Non-Current Liabilities		<u>32,161.25</u>	<u>34,982.77</u>
Current Liabilities			
a) Financial Liabilities			
i) Current Borrowings	17a	57,486.20	46,942.99
ii) Trade Payables	17b	17,436.57	9,337.30
iii) Other Financial Liabilities	17c	11,721.62	10,376.55
b) Other Current Liabilities	18	2,132.44	2,537.17
c) Provisions	19	6.27	1,081.89
d) Current Tax Liabilities (Net)	20	127.94	193.46
Total Current Liabilities		<u>88,911.04</u>	<u>70,469.36</u>
TOTAL EQUITY AND LIABILITIES		<u>190,715.00</u>	<u>174,372.96</u>

The accompanying notes form an integral part of these financial statements **1 to 47**

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants
FRN : 030088N

Kanika
Partner
M.No. : 539337
Place : Ludhiana
Dated :30th May, 2018

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

Kamal Oswal
Vice Chairman-cum-
Managing Director
(DIN : 00493213)

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018**

PARTICULARS	NOTE NO.	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
INCOME			
Revenue from Operations	21	176,274.88	173,166.89
Other Income	22	610.07	561.93
Total Revenue		176,884.95	173,728.82
EXPENSES			
Cost of Materials Consumed	23	102,911.43	96,218.29
Purchases of stock-in-trade	24	4,766.90	2,684.51
Change in inventories of Finished Goods, Work-in-Progress and stock in trade	25	(5,569.55)	(5,936.51)
Excise Duty Expenses	26	397.76	942.70
Employee Benefit Expense	27	18,551.06	17,492.54
Finance Costs	28	7,073.14	5,982.38
Depreciation and Amortisation Expense	3,4,5	6,576.90	6,918.70
Other Expenses	29	40,396.50	40,815.56
Total Expenses		175,104.14	165,118.17
Profit Before Tax		1,780.81	8,610.65
Tax expense	30		
1) Current tax		413.00	1,973.00
Less :- Mat Credit Entitlement		(413.00)	--
2) Deferred tax		58.67	(375.83)
Profit After Tax for the period		1,722.14	7,013.48
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Re-measurement gains (losses) on defined benefit plans		238.59	(55.87)
(ii) Net Gain/(loss) on FVOCI equity instruments		(949.71)	1,988.37
Deferred tax effect on the above		195.08	--
Total Other Comprehensive Income		(516.04)	1,932.50
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		1,206.10	8,945.98
Basic and diluted earnings per equity share (Face value of equity share ₹10 each)	36	4.32	17.61

The accompanying notes form an integral part of these financial statements **1 to 47**

As per our separate report of even date attached
For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

For and on behalf of the Board

Kanika
Partner
M.No. : 539337
Place : Ludhiana
Dated :30th May, 2018

Mukesh Sood
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Dinesh Gogna
Director
(DIN : 00498670)

Kamal Oswal
Vice Chairman-cum-
Managing Director
(DIN : 00493213)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	2017-18 (₹ in Lacs)	2016-17 (₹ in Lacs)
(A) Cash Flow from Operating Activities		
Net profit/(Loss) before Tax	1,780.81	8,610.65
Adjustment for:		
Depreciation	6,576.90	6,918.70
Power & fuel Exp	13.82	13.82
Other Income	(35.22)	(34.09)
Rent	6.26	6.26
Remeasurement of defined benefit plan	238.59	(55.87)
Sundry balances written back (Net)	(53.37)	239.68
Provision for diminution in value of investment	--	355.52
Profit on sale of Property, Plant and Equipment (Net)	(254.35)	(175.31)
Dividend Received	(62.13)	(62.13)
Interest Income	(133.62)	(169.29)
Interest Expense	7,073.14	5,982.38
Operating Profit before Working Capital Changes	15,150.83	21,630.32
Adjustment for		
Trade & other receivable	(1,103.39)	(4,198.53)
Inventories	(15,941.81)	1,289.50
Trade Payables	7,165.48	5,192.96
Cash Generated from operations	5,271.11	23,914.25
Direct Taxes Paid	(315.52)	(2,047.83)
Net Cash from Operating Activities	4,955.59	21,866.42
(B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(8,550.88)	(10,151.67)
Sale of Property, Plant and Equipment	1,882.03	614.00
Interest Received	133.62	169.29
Dividend Received	62.13	62.13
Net cash used in Investing Activities	(6,473.10)	(9,306.25)
(C) Cash Flow from Financing Activities		
Interest paid	(7,073.14)	(5,982.38)
Dividend paid	(379.98)	(390.58)
Corporate dividend tax	(81.09)	(81.09)
Proceeds from Long Term Borrowings (Net)	(1,568.44)	(3,190.29)
Changes in Working Capital Borrowings	10,543.21	(2,982.01)
Net Cash used in Financing Activities	1,440.56	(12,626.35)
Net Change in Cash & Cash Equivalents (A+B+C)	(76.95)	(66.18)
Opening Cash & Cash Equivalents	277.34	343.52
Closing Cash & Cash Equivalents	200.39	277.34

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.
3. Refer Note no-46, debt reconciliation as per Ind AS-7 "Statement of Cash Flows".

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

Kanika
Partner
M.No. : 539337
Place : Ludhiana
Dated :30th May, 2018

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

Kamal Oswal
Vice Chairman-cum-
Managing Director
(DIN : 00493213)



Statement of Changes in Equity for the Year ended 31st March 2018

PARTICULARS	2017-18 (₹ in Lacs)
A. Equity Share Capital	
As at April 1, 2017	4,003.42
Issue of Equity Share capital	--
As at March 31, 2018	<u>4,003.42</u>
B. Other Equity	
Attributable to the equity holders	

PARTICULARS	Reserve & Surplus							Total
	Security Premium Reserve	Capital Reserve	Capital Redemption Reserve	Contingent Liability Reserve	Corporate Social Responsibility Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2016	33,454.08	9,474.86	1,925.00	754.90	--	10,896.92	--	56,505.76
Profit for the year	--	--	--	--	--	--	7,013.48	7,013.48
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--	(55.87)	(55.87)
Other Comprehensive Income	--	--	--	--	--	--	1,988.37	1,988.37
Total Comprehensive Income for the year	33,454.08	9,474.86	1,925.00	754.90	--	10,896.92	8,945.98	65,451.74
Dividends (including tax thereon)	--	--	--	--	--	--	(479.44)	(479.44)
CSR Expense	--	--	--	--	--	--	(54.89)	(54.89)
Transfer from Retained Earning	--	--	--	--	--	8,411.65	--	8,411.65
Transfer to General Reserve	--	--	--	--	--	--	(8,411.65)	(8,411.65)
Balance as at March 31, 2017	33,454.08	9,474.86	1,925.00	754.90	--	19,308.57	--	64,917.41
Profit for the year	--	--	--	--	--	--	1,722.14	1,722.14
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--	238.59	238.59
Other Comprehensive Income	--	--	--	--	--	--	(754.63)	(754.63)
Total Comprehensive Income for the year	33,454.08	9,474.86	1,925.00	754.90	--	19,308.57	1,206.10	66,123.51
Dividends (including tax thereon)	--	--	--	--	--	--	(479.44)	(479.44)
CSR Expense	--	--	--	--	--	--	(4.78)	(4.78)
Transfer to Corporate social Responsibility Reserve	--	--	--	--	--	--	(68.52)	(68.52)
Transfer from Retained Earning	--	--	--	--	--	68.52	653.36	721.88
Transfer to General Reserve	--	--	--	--	--	--	(653.36)	(653.36)
Balance as at March 31, 2018	33,454.08	9,474.86	1,925.00	754.90	68.52	19,961.93	--	65,639.29

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

Kanika
Partner
M.No. : 539337
Place : Ludhiana
Dated : 30th May, 2018

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

Kamal Oswal
Vice Chairman-cum-
Managing Director
(DIN : 00493213)



Notes to Financial Statements for the year ended 31st March, 2018

1. Background

Nahar Industrial Enterprises Limited (the "Company") incorporated in 1983 is engaged in the business of Textiles and Sugar in India. The company is a public company domiciled in India under the provision of companies Act, 1956. Its shares are listed in recognized stock exchange BSE/NSE of India. The registered office of the company is located in Focal Point, Ludhiana.

Note: 2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Company consisting of Nahar Industrial Enterprises Limited (the 'Company').

(a) Basis of Preparation**(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements of the company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans-assets measured at fair value.

The Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- (i) Derivative Financial Instruments measured at fair value
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- (iii) Employee's Defined Benefit Plan as per actuarial valuation.

(iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to two decimals places to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

(b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair



Notes to Financial Statements for the year ended 31st March, 2018

value Measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares Financial instruments
- Financial instruments

(c) Current versus non-current classification

All assets and liabilities have been classified as current or non current as per company's normal operating cycle and other criteria set out in the Schedule III to the Act.

(d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently, the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition i.e. 1st April, 2015.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their useful lives 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 1st April, 2005 till 31st March, 2012, Depreciation charged on the Straight line method. Leasehold land is amortised over period of lease. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act. The residual values are not more than 5% of the original cost of the asset.

(e) Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on the basis of Written Down Value Method based on expected life span of assets which is in accordance with Schedule II of Companies Act, 2013. Significant parts of the property are depreciated separately based on their specific useful lives. Any gain or loss on disposal of investment properties is recognized in profit or loss account

**Notes to Financial Statements for the year ended 31st March, 2018**

(f) Intangible assets**Computer Software**

The Company has capitalised computer software in the nature of software licenses as intangible assets and the cost of software is amortized over the period of 4 years, being their expected useful economic life.

(g) Impairment of Non-financial assets

Assets are tested for impairment annually and whenever there is an indication that the assets may be impaired. An impairment losses recognized whenever the carrying amount of an asset or its cash generated (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. Impairment losses, if any, are recognized in the statement of profit and loss. The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

(h) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores & spares at the weighted average cost, Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

(i) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expense in the period in which they are incurred.

(j) Government Grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants are recognized and shown in the balance sheet as liability and Income is accrued based on the terms of schemes in the statement of profit and loss over a phased manner in consideration with scheme terms and related use of assets.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

(k) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when

**Notes to Financial Statements for the year ended 31st March, 2018**

there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

(l) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Nahar Industrial Enterprises Limited functional and presentation currency.

Foreign currency translations are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty till 30.06.2017 and net of returns, trade allowances, rebates, discounts and Goods & Service Tax (GST).

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Sales are recognized when substantial risk and rewards of ownership are transferred to customer as per the terms of the contract, there is no continuing managerial involvement with the goods. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods., in case of domestic customer, sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, sales takes place when goods are shipped onboard based on bill of lading.

Revenue from Services

Revenue from services is recognized in the accounting period in which the services are rendered.

Other operating revenue - Export incentives

Revenue in respect of export incentives is recognized when such incentives accrue upon export of goods.

(n) Leases

Lease of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected inflation to compensate for the lessor's expected inflationary cost increases.

(o) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income

**Notes to Financial Statements for the year ended 31st March, 2018**

based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in associates where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in associates where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(p) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand and other bank balances.

(q) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment if any. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(r) Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to



Notes to Financial Statements for the year ended 31st March, 2018

collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company assesses on a forward looking basis the expected credit losses associated with its assets.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



Notes to Financial Statements for the year ended 31st March, 2018

(s) Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(u) Derivatives that are not designated as hedges

The Company enters into certain derivatives contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

(v) Employee benefits**(i) Short term obligations**

Liabilities for wages and salaries, short term compensated absence and ex-gratia including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(ii) Post-employment obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations.

The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. The managing committee is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in IND AS 108. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. The Company has Operating segments comprising of Textile and Sugar.

(x) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of

**Notes to Financial Statements for the year ended 31st March, 2018**

financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(y) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(z) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company

By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would be outstanding assuming the conversion of all dilutive potential equity shares.

Note: 2.1 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 30
- Estimation of defined benefit obligation – Note 40
- Recognition of deferred tax assets for carried forward tax losses – Note 15

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on Company and that are believed to be reasonable under the circumstances.



Notes to Financial Statements for the year ended 31st March, 2018

		GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
Particulars	As at 01.04.2017	As at 31.03.2018	Sale/ Adjustment during the year	Upto 31.03.2017	Provided during the year*	Adjusted/ Written back during the year	Total upto 31.03.2018	As at 31.03.2018	As at 31.03.2017		
Leasehold Land	123.49	--	--	29.11	1.25	--	30.36	93.13	94.38		
Freehold Land	8,601.81	82.00	--	--	--	--	--	8,683.81	8,601.81		
Building	34,163.60	172.04	1,186.27	15,927.05	1,073.59	218.74	16,781.90	16,367.47	18,236.55		
Plant & Machinery *	144,800.95	7,968.95	3,484.68	119,309.12	4,940.60	2,837.00	121,412.72	27,872.50	25,491.83		
Furniture & Fixtures	923.64	39.06	7.35	671.82	71.52	4.83	738.51	216.84	251.82		
Office Equipment	1,054.95	56.95	2.68	937.07	54.56	2.27	989.36	119.86	117.88		
Vehicles	958.36	845.81	53.10	492.22	340.29	43.56	788.95	962.12	466.14		
TOTAL	190,626.80	9,164.81	4,734.08	137,366.39	6,481.81	3,106.40	140,741.80	54,315.73	53,260.41		
Previous Year	185,484.77	6,425.58	1,283.55	131,402.15	6,809.11	844.87	137,366.39	53,260.41	54,082.62		
<p>Note *: The current year depreciation has been reduced by ₹ 42.40 lacs on account of caravats capitalised during last year of amounting to ₹ 562.22 lacs and the same has been retired from plant and machinery during the year which resulted in reversal of depreciation.</p>											
4. INVESTMENT PROPERTY											
		GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
Particulars	As at 01.04.2017	As at 31.03.2018	Sale/ Adjustment during the year	Upto 31.03.2017	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2018	As at 31.03.2018	As at 31.03.2017		
Freehold Land	162.75	428.95	--	--	--	--	--	591.70	162.75		
Building	1,436.02	--	--	378.04	52.32	--	430.36	1,005.66	1,057.98		
TOTAL	1,598.77	428.95	--	378.04	52.32	--	430.36	1,597.36	1,220.73		
Previous Year	1,598.77	--	--	322.83	55.21	--	378.04	1,220.73	1,275.94		
<p>Amount recognised in profit and loss for investment properties:</p>											
Particulars					31st March, 2018				31st March, 2017		
Rental Income					38.01				97.85		
Direct operating expenses that generated rental income					52.32				55.21		
Profit/(loss) from leasing of investment properties					(14.31)				42.64		
5. OTHER INTANGIBLE ASSETS											
		GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
Particulars	As at 01.04.2017	As at 31.03.2018	Sale/ Adjustment during the year	Upto 31.03.2017	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2018	As at 31.03.2018	As at 31.03.2017		
Computer Software	458.31	--	--	395.81	42.77	--	438.58	19.73	62.50		
TOTAL	458.31	--	--	395.81	42.77	--	438.58	19.73	62.50		
Previous Year	458.31	--	--	341.43	54.38	--	395.81	62.50	116.88		

**Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
6.(a) Investments		
(i) Investment in Equity Instrument		
Investment in Associates (Unquoted) (Cost)		
180,000 Fully Paid Up Equity shares of ₹ 100/- each of J.L. Growth Fund Limited (Previous Year 180,000)	1,684.80	1,684.80
250,000 Fully Paid Up Equity shares of ₹ 100/- each of Vardhman Investment Limited (Previous Year 250,000)	1,475.00	1,475.00
164,000 Fully Paid Up Equity shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	1,066.00	1,066.00
10,729,474 Fully Paid Up Equity shares of ₹ 10/- each of Cotton County Retail Limited (Previous Year 10,729,474)	3,978.92	3,978.92
Sub Total	<u>8,204.72</u>	<u>8,204.72</u>
(ii) Investment in Equity Instrument		
Investments at fair value through OCI		
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)	2,038.74	3,188.93
1,264,720 Fully Paid Up Equity shares of ₹ 5/- each of Nahar Poly films Limited (Previous Year 1,264,720)	673.46	768.32
1,363,221 Fully Paid Up Equity shares of ₹ 5/- each of Nahar Capital & Financial Services Limited (Previous Year 1,363,221)	1,676.77	1,381.62
12,555 Fully Paid Up Equity shares of ₹ 10/- each of Pasupati Acrylon Ltd. (Previous Year 12,555)	3.00	2.81
50 Fully Paid Up Equity shares of ₹ 10/- each of Malwa Cotton Mills Limited (Previous Year 50)	--	--
Sub Total	<u>4,391.97</u>	<u>5,341.68</u>



Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
(iii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Unquoted)		
30,900- Fully paid up Equity shares ₹ 10/- each of BPL Engineering Ltd. (Previous Year 30,900)	2.80	2.80
22,500- Fully paid up Equity shares ₹ 10/- each of Pertech Computer Ltd. (Previous Year 22,500)	0.23	0.23
7,700 Fully Paid up Equity shares ₹ 10/- each of R.S. Petro Chemical Ltd. (Previous Year 7,700)	0.08	0.08
3,360 - Fully paid up Equity shares ₹ 100/- each of Nagdevi Trading & Investment Co. Ltd. (Previous Year 3,360)	0.51	0.51
3,558,786- Fully paid up Class-'A' Equity shares ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,558,786)	0.36	0.36
One Fully paid up Equity share ₹ 100/- of Punjab State Co-operative Bank Ltd. (Previous Year One) (Cost ₹ 100)	--	--
One Fully paid up Equity shares ₹ 5,000/- each of Krishna Building Owners Association (Previous Year One)	0.05	0.05
Sub Total	4.03	4.03
(iv) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted)		
At Amortised COST		
3,156,958- Fully paid up Class 'A' 0.01% Cumulative Redeemable Preference Shares ₹ 10 each of VS Lignite Power Pvt. Ltd. (Previous Year 3,156,958)	115.39	103.96
Sub Total	115.39	103.96
TOTAL (i+ii+iii+iv)	12,716.11	13,654.39
1. Market Value of Quoted Investment	4,391.97	5,341.68
2. Aggregate amount of Unquoted Investment	8,324.14	8,312.71
3. Aggregate amount of Total Investment	12,716.11	13,654.39

**Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	As at 31st March, 2018 (₹ in Lacs)	As at 31st March, 2017 (₹ in Lacs)
6b Loans (Unsecured, considered good)		
Security deposits	1,054.38	1,042.08
Total	1,054.38	1,042.08
7. Other Non-Current Assets		
Capital Advances	12.85	12.85
Prepaid Lease Rentals	37.54	43.80
Deferred Power Purchase Cost	119.70	133.52
Prepaid Expense	5.77	9.68
Total	175.86	199.85
8. Inventories (As taken, valued and approved by management)		
Raw Materials	35,817.57	26,180.14
Work-in-Progress	5,370.68	5,678.90
Finished Goods	35,672.52	29,794.75
Stores and Spares	3,427.30	2,692.47
Total	80,288.07	64,346.26
8.1 Detail of Inventory-Finished Goods		
Yarn	8,954.65	6,603.20
Fabrics	12,865.77	9,053.01
Sugar	13,232.00	12,586.19
Other	620.10	1,552.35
Total	35,672.52	29,794.75
9a Trade receivables		
Unsecured, considered good	18,012.24	20,937.45
Total	18,012.24	20,937.45
9b Cash and cash equivalents		
Balances with banks - current accounts	38.03	126.35
Cash-in-Hand	34.13	41.40
Total	72.16	167.75
9c Other bank balances		
Unpaid Dividend Account	124.21	105.84
Fixed deposit having original maturity more than 3 months but less than 12 months	4.02	3.75
Total	128.23	109.59
9d Loans		
Loans to employees	83.60	73.25
Total	83.60	73.25

**Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	As at 31st March, 2018 (₹ in Lacs)	As at 31st March, 2017 (₹ in Lacs)
9e Other Financial assets		
Other Financial assets	00.16	00.15
Derivaive Asset	14.55	--
Government Grant Receivables	2,422.92	2,587.64
Total	2,437.63	2,587.79
10 Other current assets		
Advances to suppliers	3,274.94	3,059.09
Advances to employees	62.73	16.41
Balance with government authorities	9,410.46	3,771.81
Prepaid expenses	333.35	257.75
Prepaid Lease rentals	6.26	6.26
Deferred Power Purchase Cost	13.82	13.82
Expense recoverable	2,197.71	4,028.26
Total	15,299.27	11,153.40
11. Equity Share Capital		
Authorized:		
65,000,000 Equity Shares of ₹ 10/- each (Previous Year 65,000,000)	6,500.00	6,500.00
Total	6,500.00	6,500.00
Issued, Subscribed and Fully Paid up :		
39,835,141 Equity Shares of ₹ 10/- each (Previous Year 39,835,141)	3,983.51	3,983.51
Add: Share Forfeited Account (Amount originally paid up)	19.91	19.91
Total	4,003.42	4,003.42
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



Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
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b. Terms/rights attached to Equity Shares:
The Company has only one class of Equity Shares having Face value of ₹ 10/- each holder of Equity Share is entitled to only one vote per shares:

c. Detail of Shareholders holding more than 5% shares:

Shareholders	As At 31st March, 2018		As At 31st March, 2017	
	Number	% 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 Investment Ltd.	2,277,955	5.72	2,277,955	5.72
Oswal Woolen Mills Ltd.	2,094,819	5.26	2,094,819	5.26
Nagdevi Trading & Investment Co. Ltd.	2,273,625	5.71	2,273,625	5.71
Kovalam Investment & Trading Co. Ltd.	2,068,920	5.19	2,068,920	5.19

12. Other Equity

Capital Reserve				
Balance as per last Balance Sheet		9,474.86		9,474.86
Capital Redemption Reserve				
Balance as per last Balance Sheet		1,925.00		1,925.00
Securities Premium Account				
Balance as per last Balance Sheet		33,454.08		33,454.08
Contingent Liability Reserve				
Balance as per last Balance Sheet		754.90		754.90
Corporate Social Responsibility Reserve				
Transfer from Retained Earning		68.52		--
General Reserve				
Balance as per last Balance Sheet	19,308.57		10,896.92	
Add: Transfer from Retained Earning	653.36	19,961.93	8,411.65	19,308.57
Retained Earnings				
Balance as per last Balance Sheet	--		--	
Add: Profit for the year	1,722.14		7,013.48	
Add: Remeasurement gain/(loss) on defined benefit plan	238.59		(55.87)	
Add: Other Comprehensive income	(754.63)		1,988.37	
Less: Corporate Social Responsibility Expense	4.78		54.89	
Less: Transfer to Corporate Social Responsibility Reserve	68.52		--	
Less; Dividend On Equity shares	398.35		398.35	
Less: Corporate Dividend Tax	81.09		81.09	
Balance Transferred to General Reserve	653.36		8,411.65	
Total		65,639.29		64,917.41

**Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
13a Borrowings		
Term loans (Secured)		
From Banks	24,025.06	27,110.50
Others Unsecured		
Loans and Advances from Related Parties	6,271.33	6,033.06
Total	30,296.39	33,143.56

*There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2018:

13a.1 Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans*

As At 31 st March, 2018 (₹ in Lacs)	Repayment Period from origination (years)	Installments outstanding as on 31 st March, 2018 No.	Periodicity
1,600.00	3.5	6	Quarterly
1,600.71	3.5	6	Quarterly
2,356.55	6	22	Quarterly
253.16	8	4	Quarterly
4,993.79	8	8	Quarterly
609.44	8	8	Quarterly
1,312.96	8	9	Quarterly
8,057.00	8	13	Quarterly
1,725.65	5	14	Quarterly
319.06	8	7	Quarterly
371.07	5	19	Quarterly
612.56	4	9	Quarterly
332.25	3	4	Quarterly
1,304.40	5	19	Quarterly
3,964.30	5	19	Quarterly
1,498.00	5	20	Quarterly
2,370.00	4	20	Quarterly
33,280.90			

* Figures of term loan stated in para 13a .1(i) includes current maturities of Long term debt shown separately in notes no. 17c and exclude ₹ 27.50 lacs transaction cost amortised over the period of Term loan.

Term Loan from IDBI Bank Limited, State Bank of India, Allahabad Bank, Punjab & Sind Bank, Canara Bank, Dena 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 Jaladiwal, 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.

ii) Loans and advances from the related parties will be paid after three years.

**Notes to Financial Statements for the year ended 31st March, 2018**

Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2017:

13a.1 Terms of repayment of long term borrowings:
i) Terms of Repayment of term loans*

As At 31st March, 2017 (₹ in Lacs)	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2017 No.	Periodicity
2,400.00	3.5	10	Quarterly
2,400.00	3.5	10	Quarterly
1,933.60	6	24	Quarterly
506.28	8	8	Quarterly
7,113.00	8	12	Quarterly
918.20	8	12	Quarterly
1,896.48	8	13	Quarterly
374.70	8	1	Quarterly
9,542.08	8	17	Quarterly
1,890.97	5	18	Quarterly
501.38	8	11	Quarterly
390.60	5	20	Quarterly
884.81	4	13	Quarterly
664.52	3	8	Quarterly
1,080.00	5	20	Quarterly
2,595.00	5	20	Quarterly
2.18	3	12	Monthly
35,093.80			

* Figures of term loan stated in para 13a .1(i) includes current maturities of Long term debt shown separately in notes no. 17c and exclude ₹ 33.69 lacs transaction cost amortised over the period of Term loan.

Term Loan from IDBI Bank Limited, State Bank of Patiala, State Bank of Hyderabad, Allahabad Bank, Punjab National Bank, Punjab & Sind Bank, Dena 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 Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khijuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other 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.

ii) Loans and advances from the related parties will be paid after three years.



Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
13b Other Financial Liabilities		
Security deposit	388.74	343.82
Other Liabilities	317.54	209.99
Total	706.28	553.81
14 Provisions		
Provision for Gratuity	925.37	642.00
Total	925.37	642.00
15 Deferred Tax Liabilities (net)		
Deferred Tax Liability		
Relating to Property, plant and equipment	1,898.57	1,641.81
Deferred Tax Assets		
Disallowance u/s 43B of the Income Tax Act, 1961 and brought forward losses	739.14	540.81
Others	950.07	505.24
Total	209.36	595.76
16 Other Non-current Liabilities		
Deferred Income	23.85	47.64
Total	23.85	47.64
17a Current Borrowings		
From Banks		
Loans repayable on demand	57,486.20	46,942.99
Total	57,486.20	46,942.99
17a.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.		
17b Trade Payables		
Micro, Small and Medium Enterprises	--	--
Others	17,436.57	9,337.30
Total	17,436.57	9,337.30

17b.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	As at 31 st March, 2018	As at 31 st March, 2017
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	--	--

**Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
-------------	--	--

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
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.	--	--

17c Other Financial Liabilities

Unpaid Dividend	124.21	105.84
Due to Employees	2,369.07	2,287.38
Derivative Liability	--	33.72
Current Maturities	9,228.34	7,949.61
Total	11,721.62	10,376.55

17c.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor's Education and Protection Fund.

18 Other Current Liabilities

Statutory dues payables	379.66	384.53
Advance from customers	338.06	436.90
Deferred Income	23.78	23.78
Others	1,390.94	1,691.96
Total	2,132.44	2,537.17

19 Provisions

Provision for Employee Benefits	6.27	179.04
Provision for Excise duty payable	--	902.85
Total	6.27	1,081.89

20 Current Tax Liability (Net)

Advance income Tax / TDS/TCS	285.06	1,779.54
Less Provision for Taxation	413.00	1,973.00
Total	127.94	193.46

**Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
21 Revenue from Operations		
a) Sale of Products	168,559.74	169,035.90
b) Sale of services	769.19	567.41
c) Miscellaneous sales	6,538.60	2,818.23
d) Other operating revenue Export Incentives	407.35	745.35
Total	176,274.88	173,166.89
21a.1 Details of Products Sold		
Yarn	80,991.25	84,463.18
Fabrics	64,896.89	67,851.11
Sugar	20,468.07	15,700.13
Others	9,511.32	4,407.12
Total	175,867.53	172,421.54
22 Other Income		
Interest income	133.62	169.29
Dividend Income	62.13	62.13
Rental Income	44.15	105.82
Profit on sale of Fixed Assets	270.90	179.48
Others	99.27	45.21
Total	610.07	561.93
23 Cost of Materials Consumed		
Opening stock	26,180.14	33,425.13
Add : Purchases (Net)	112,548.86	88,973.30
Less: Closing Stock	35,817.57	26,180.14
Total	102,911.43	96,218.29
23.1 Detail of Cost of Material Consumed		
Fibres	79,812.29	77,368.33
Yarn	3,843.48	3,387.99
Sugarcane	16,469.91	13,628.76
Others	2,785.75	1,833.21
Total	102,911.43	96,218.29
24 Purchases of stock-in-trade		
Yarn	2,699.52	2,441.04
Fabrics	142.95	83.21
Fibre	1,924.43	156.43
Garments	--	3.83
Total	4,766.90	2,684.51
25 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	5,678.90	4,885.64
Finished Goods	29,794.75	24,651.50
Total	35,473.65	29,537.14
Less: Closing Stock		
Work-in-progress	5,370.68	5,678.90
Finished Goods	35,672.52	29,794.75
Total	41,043.20	35,473.65
Total	(5,569.55)	(5,936.51)



Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
26 Excise Duty Expenses		
Excise Duty on sales	397.76	942.70
Total	397.76	942.70
27 Employee Benefits Expense		
Salary, Wages and Other Allowances	16,392.02	15,647.39
Contribution to provident and other funds	2,009.30	1,694.94
Staff welfare expenses	123.79	133.97
Staff Recruitment & Development expenses	25.95	16.24
Total	18,551.06	17,492.54
28 Finance cost		
Interest Expense	6,880.36	5,814.83
MTM loss/(gain) on forward Contracts	(48.26)	(19.96)
Other Borrowings Cost	241.04	187.51
Total	7,073.14	5,982.38
29 Other expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	13,292.94	13,901.01
Power and Fuel	22,025.99	20,145.11
Handling and Restacking charges	541.10	585.89
Machinery Repairs and Maintenance	648.24	525.48
Excise duty on stocks	(902.66)	126.64
Sub Total	35,605.61	35,284.13
b. Administrative & Other Expenses		
Rent	53.61	57.16
Rates & Taxes	133.36	122.33
Insurance	368.54	324.51
Legal & Professional Expenses	169.63	103.34
Travelling & Conveyance*	500.90	499.31
Vehicle Repair & Maintenance	848.86	136.04
Repairs and Maintenance	409.61	270.46
Payment To Auditor	14.46	15.62
Loss on Sale/Discard of Fixed Assets	16.55	4.17
Provision of Diminution in Value of Investment	--	355.52
Directors Remuneration	259.68	399.68
Directors' Meeting Fees	3.20	4.72
Charity & Donation	00.15	00.14
Miscellaneous Expenses	215.60	495.65
Sub Total	2,994.15	2,788.65
*Include Director Travelling of ₹ 53.04 Lacs (Previous Year ₹ 28.84 Lacs)		
c. Selling Expenses		
Forwarding and Octroi	872.85	1,588.20
Commission & Brokerage	598.47	860.18
Other Selling Expenses	325.42	294.40
Sub Total	1,796.74	2,742.78
Total (a+b+c)	40,396.50	40,815.56
29.1 Payment to Auditors		
As Auditor:		
Audit fee	9.21	10.03
Tax audit fee	3.29	3.79
In other capacity:	1.28	0.95
Reimbursement of expenses	0.68	0.85
Total	14.46	15.62



Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
30 Tax Expense		
Current Tax	--	1,973.00
Deferred Tax	58.67	(375.83)
Total	58.67	1,597.17
30.1 Reconciliation of tax liability of book profit vis-a-vis actual Tax Liability		
Accounting Profit Before Tax	1,780.81	8,610.65
Enacted Tax Rate	34.608%	34.608%
Current Tax Expenses on Profit before Tax at the enacted Income tax rate in India	616.30	2,979.98
Less : Adjustments in respect of differences are of permanent nature as per Income Tax act	559.26	1,083.92
Less : Other Deferred Tax Adjustment	(1.63)	298.89
Income Tax Expenses reported in the Statement of Profit & Loss	58.67	1,597.17

31) CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) Letter of Credits in favour of suppliers and others ₹ 7,602.85 Lacs (Previous Year ₹ 864 Lacs)
- b) Bank Guarantees in favour of suppliers and others ₹ 1,532.79 Lacs (Previous Year ₹ 2,218.26 Lacs)
- c) Sales tax demands against which the company has preferred appeals ₹ 57.74 Lacs .(Previous Year ₹ 67.17 Lacs)
- d) Income tax demands against which the company has preferred appeals ₹ 1,339.89 Lacs. (Previous Year ₹ 1,368.89 Lacs).
- e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 571.84 Lacs on various matters under the Central Excise Rules (Previous Year ₹ 640.83 Lacs) .The Company has filed suitable reply with the concerned authorities.
- f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 426.73 Lacs (Previous Year ₹ 3,124.90 Lacs). In favour of the President of India for fulfilment of its obligation under the rules made Central Excise Act, 1944 and Customs Act, 1962.
- g) Claims of ₹ 3,680.22 Lacs. (Previous Year ₹ 3,602.98 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.
- h) Employees' state Insurance Corporation has raised demand of ₹ 124.62 Lacs.(Previous Year Nil) The Company deposited ₹ 94.64 Lacs against the said demand. The Company has filed Civil Suit before the Civil Judge (Sr. Div.), ESI Court, Ludhiana.

32. Capital Commitment

Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ 5,911.33 Lacs (Previous Year ₹ 908.89 Lacs).

- 33.** The Company has undertaken export obligations of ₹ 40,671.89 Lacs (Previous Year ₹ 50,005.74) 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 ₹ 39,092.20 Lacs (Previous Year ₹ 48,426.05 Lacs) have been fulfilled up to 31 March, 2018.
- 34.** 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.
- 35.** Export/domestic bills discounted under Letter of Credit outstanding as on 31.03.2018 for ₹ 3,196.84 Lacs (Previous Year ₹ 3,531.48 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.



Notes to Financial Statements for the year ended 31st March, 2018

36) Earnings Per Share (EPS) (Ind AS-33) (₹ in Lacs)	(₹ in Lacs)	
	2017-18	2016-17
Profit/loss after Tax (₹ in Lacs)	1,722.14	7,013.48
Weighted average no. of ordinary shares	39,835,141	39,835,141
Weighted average no. of diluted shares	39,835,141	39,835,141
Nominal value of ordinary share (₹)	10.00	10.00
Basic / Diluted Earning Per Share (₹)	4.32	17.61

37) Segment Information as required by Ind AS-108 "Operating Segments" issued by the ICAI and compiled on the basis of the financial statements is as under :-

	Textile		Sugar		Others		Total	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Segment Revenue							
Total Revenue	154,036.56	155,126.28	22,400.39	17,629.20	255.01	338.59	176,691.96	173,094.07
Less: Inter Segment Revenue							824.43	672.53
Net Revenue							175,867.53	172,421.54
Segment Results								
Profit/ (Loss) before interest, exceptional items & tax	5,268.24	10,943.98	3,823.84	3,933.84	(238.13)	(284.79)	8,853.95	14,593.03
Less: Interest							7,073.14	5,982.38
Profit before exceptional items & tax							1,780.81	8,610.65
Segment Assets	150,872.26	139,227.84	17,491.17	17,400.60	22,351.57	17,744.52	190,715.00	174,372.96
Segment Liabilities	68,259.58	52,365.87	11,214.09	9,535.36	1,864.53	1,861.97	81,338.20	63,763.20
Capital Employed								
Segment Assets- Segment Liabilities	82,612.68	86,861.97	6,277.08	7,865.24	20,487.04	15,882.55	109,376.80	110,609.76

38) Related Party Disclosures as required by IND AS-24 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. Jawahar Lal Oswal	Chairman
Sh. Kamal Oswal	Vice Chairman-cum-Managing Director
Sh. Dinesh Oswal	Non Executive Director
Sh. Dinesh Gogna	Non Executive Director
Sh. Navdeep Sharma	Non Executive Director
Dr. (Mrs) H.K. Bal	Non Executive Director
Dr. A.S Sohi	Non Executive Director
Sh. A.S Chatha, IAS (Retd)	Non Executive Director
Dr. Vijay Asdhir	Non Executive Director
Dr. Suresh Kumar Singla	Non Executive Director
Sh. Bharat Bhushan Gupta	Chief Financial Officer
Sh. Mukesh Sood	Company Secretary

**Notes to Financial Statements for the year ended 31st March, 2018**

4. Relatives of Key Management Personnel	Mrs. Abhilash Oswal Mrs. Manisha Oswal Mrs. Ritu Oswal Mrs. Ruchika Oswal Mrs. Monika Oswal Mr. Rishab Oswal Mr. Abhinav Oswal
5. 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 Fashion Limited Nahar Poly Films Limited Kovlam Investment & Trading Co. Ltd. Nagdevi Trading & Investment Co. Ltd. Sankheshwar Holding Co. Ltd. Vanaik Investors Ltd. Vinayak Spinning Mills Ltd.* Crown Star Limited* Hug Foods Pvt. Ltd. Abhilash Growth Fund Pvt. Ltd Nahar Growth Fund Pvt. Ltd Neha Credit & Investment Ltd. Nahar Financial & 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.* Oswal Leasing Limited* Bermuda Insurance Brokers Pvt. Ltd.* Vigil Investment Pvt. Ltd.* Cabot Trading & Inv. Co. Pvt. Ltd.* Marble E-Retail Pvt. Ltd.* Survat Trading Co. Ltd.* Amloh Industries Limited* Oswal Foundation* White Tiger Breweries and Distilleries Ltd* Shri Atam Fabrics Ltd*

* No transaction has taken place during the year

b) Detail of transactions entered into with related parties during the year;



Notes to Financial Statements for the year ended 31st March, 2018

Particulars	Associates		Key Management		Enterprises in which Key Manager Personnel and relative of such personnel is able to exercise significant influence or control		Relative of Key Management Personnel	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Purchase of Goods	11.90	18.09	--	--	10,897.73	7,698.18	--	--
Sales of Goods	1,753.21	1,398.16	--	--	20,875.16	16,752.89	--	--
Purchase of Fixed Assets	--	0.01	--	--	19.08	8.61	--	--
Sale of Fixed Assets	--	--	--	--	--	8.16	--	--
Freight income	3.56	--	--	--	503.57	--	--	--
Processing Charges Received	--	--	--	--	26.94	166.34	--	--
Processing Charges Paid	227.51	295.22	--	--	--	--	--	--
Interest Paid	503.93	553.06	--	--	--	--	--	--
Rent Received	15.57	15.18	15.00	15.00	8.59	80.09	--	--
Rent Paid	25.72	23.38	--	--	--	--	--	--
Reimbursement of - expenses received	9.08	12.99	--	--	115.98	127.05	--	--
Dividend Received	--	--	--	--	62.13	62.13	--	--
Dividend Paid	73.91	73.91	0.01	0.01	199.19	199.19	--	--
Director Meeting Fee	--	--	3.77	4.72	--	--	--	--
Remuneration	--	--	--	--	--	--	52.24	34.39
Loan Received (net)	--	77.93	--	--	--	--	--	--
Loan Paid	239.23	--	--	--	--	--	--	--
Balance Payable/Receivable (net)	(6,349.71)	(6,093.16)	--	--	(981.70)	1110.11	--	--



Notes to Financial Statements for the year ended 31st March, 2018

Remuneration of KMP

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
i) Short Term benefits	298.63	437.32
ii) Post Employment Benefits	40.16	25.78
Total	338.79	463.10

* Included Remuneration paid to Vice Chairman-cum-Managing Director of ₹261.94 Lacs as on 31st March, 2018 and ₹ 401.74 Lacs as on 31st March, 2017

39) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Operating lease commitments – Company as lessee

The Company has taken ceratin land on long term lease basis. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the fair value of the asset, that it does not have all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



Notes to Financial Statements for the year ended 31st March, 2018

40) Post Retirement Benefits Plan (Ind AS 19)

Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognized funds in India.

PARTICULARS	31st March 2018 (₹ in Lacs)	31st March 2017 (₹ in Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	2,983.90	2,540.37
Interest cost	193.27	188.06
Current service cost	399.05	370.88
Past service cost-plan amendments	131.99	--
Actuarial loss/(gain) - Experience Changes	85.53	(76.66)
Actuarial loss / (gains) Financial Assumption	(291.75)	157.41
Benefits paid	(283.28)	(196.16)
Present value obligation as at the end of the year	<u>3,218.71</u>	<u>2,983.90</u>
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,341.90	2,060.71
Interest income on plan assets	151.35	162.29
Employer Contributions	51.00	290.18
Return on plan assets greater/(lesser) than discount Rates	32.37	24.88
Benefits paid	(283.28)	(196.16)
Fair value of plan assets as at the end of the year	<u>2,293.34</u>	<u>2,341.90</u>
Breakup of Actuarial gain/loss:		
Actuarial (gain)/loss on arising from change in financial assumption	(291.75)	157.41
Actuarial (gain)/loss on arising from experience adjustment	85.53	(76.66)
Return on plan assets (greater)/less than discount rate	(32.37)	(24.88)
	<u>(238.59)</u>	<u>55.87</u>
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	3,218.71	2,983.90
Fair value of plan assets as at the end of the year	2,293.34	2,341.90
Net Asset/(Liability) in Balance Sheet	<u>(925.37)</u>	<u>(642.00)</u>



Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
Amount recognized in the statement of profit and loss		
Current service cost	399.05	370.88
Past service cost-plan amendments	131.99	--
Interest cost	193.27	188.06
Interest Income on plan assets	(151.35)	(162.29)
(Income)/Expense recognized in the statement of profit and loss	572.96	396.65
Remeasurements recognized in the statement of Other Comprehensive Income (OCI)		
Experience Adjustments	85.53	(76.66)
Changes in Financial Assumptions	(291.75)	157.41
Return on plan assets (greater)/lesser than discount Rates	(32.37)	(24.88)
Net Loss/(Gain) recognized in other comprehensive income	(238.59)	55.87
Plan assets information		
Insurer Manage Funds	100%	100%
Actuarial assumptions		
Discount rate	7.40%	6.80%
Salary Escalation Rate	9.00%	10.00%
Employee turnover Rate	12.00%	12.00%
Mortality Rate	Indian Assured Lives Mortality (2006)-08 Ult. Modified	Indian Assured Lives Mortality (2006)-08 Ult. Modified

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are :

Impact of the change in discount rate

a) Impact due to increase of 0.50%	(86.44)	(89.55)
b) Impact due to decrease of 0.50%	95.84	95.22

Impact of change in salary Escalation Rate

a) Impact due to increase of 0.50%	92.57	84.29
b) Impact due to decrease of 0.50%	(84.47)	(81.10)

Impact of change in Employee turnover Rate

a) Impact due to increase of 0.50%	(95.57)	(144.90)
b) Impact due to decrease of 0.50%	148.48	234.96

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the reporting period.



Notes to Financial Statements for the year ended 31st March, 2018

Expected Future cash flow

The expected future cash flow in respect of gratuity as at 31st March, 2018 were as follows

Expected contribution

The expected future employer contributions for defined benefit plan as at 31st March, 2018 (for the year ended 31st March, 2019 i.e. ₹ 977.71 Lacs)

Weighted average duration of defined plan obligation (based on discounted cash flow)

Gratuity 6 Years 6 Years

The following are the expected future benefits payments for the defined benefit plan : (₹ in Lacs)

PARTICULARS	31st March 2018	31st March 2017
Description		
March 31, 2018	--	503.83
March 31, 2019	497.23	335.14
March 31, 2020	418.05	393.59
March 31, 2021	445.23	415.37
March 31, 2022	466.05	453.44
March 31, 2023	518.36	--
March 31, 2023 to March 31, 2027	--	2,614.72
March 31, 2024 to March 31, 2028	3,075.55	--

41. Financial Value Measurement

(a) Financial Instruments by category and hierarchy

For amortised cost instruments, carrying value represents the best estimate of fair value.

(₹ in Lacs)

PARTICULARS	As At 31st March, 2018			As at 31st March, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment						
- Equity instruments	--	4,396.00	--	--	5,345.71	--
- Preference Share	--	--	115.39	--	--	103.96
Loans	--	--	1,054.38	--	--	1,042.08
Trade receivables	--	--	18,012.24	--	--	20,937.45
Cash and cash equivalents	--	--	72.16	--	--	167.75
Other Bank Balance	--	--	128.23	--	--	109.59
Loans	--	--	83.60	--	--	73.25
Other financial assets	14.55	--	2,423.08	--	--	2,587.79
Total Financial Assets	14.55	4,396.00	21,889.08	--	5,345.71	25,021.87



Notes to Financial Statements for the year ended 31st March, 2018 (₹ in Lacs)

PARTICULARS	As at 31st March, 2018			As at 31st March, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings	--	--	30,296.39	--	--	33,143.56
Security deposit	--	--	388.74	--	--	343.82
Other Liabilities	--	--	317.54	--	--	209.99
Current Borrowings	--	--	57,486.20	--	--	46,942.99
Trade payable	--	--	17,436.57	--	--	9,337.30
Unpaid dividend	--	--	124.21	--	--	105.84
Due to Employees	--	--	2,369.07	--	--	2,287.38
Derivative Liability	--	--	--	33.72	--	--
Current Maturities	--	--	9,228.34	--	--	7,949.61
Total Financial Liabilities	--	--	117,647.06	33.72	--	100,320.49

(b) Fair value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standards (Ind AS 107). An explanation of each level follows under the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements (₹ in Lacs)

PARTICULARS	As at 31st March, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments	4,391.97	--	4.03	5,341.68	--	4.03
Other Financial Asset (Derivative Asset)	14.55	--	--	--	--	--
Total	4,406.52	--	4.03	5,341.68	--	4.03
Financial liabilities						
Derivative Liability	--	--	--	33.72	--	--
Total	--	--	--	33.72	--	--

Financial assets and liabilities measured at amortised cost for which fair values are disclosed (₹ in Lacs)

PARTICULARS	As at 31st March, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Preference Share	--	--	115.39	--	--	103.96
Loans	--	--	1,054.38	--	--	1,042.08
Trade receivables	--	--	18,012.24	--	--	20,937.45
Cash and cash equivalents	--	--	72.16	--	--	167.75
Other Bank Balance	--	--	128.23	--	--	109.59
Loans	--	--	83.60	--	--	73.25
Other financial assets	--	--	2,423.08	--	--	2,587.79
Total Financial assets	--	--	21,889.08	--	--	25,021.87



Notes to Financial Statements for the year ended 31st March, 2018 (₹ in Lacs)

PARTICULARS	As at 31st March, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Borrowings	--	--	30,296.39	--	--	33,143.56
Security deposit	--	--	388.74	--	--	343.82
Other Liabilities	--	--	317.54	--	--	209.99
Current Borrowings	--	--	57,486.20	--	--	46,942.99
Trade payable	--	--	17,436.57	--	--	9,337.30
Unpaid dividend	--	--	124.21	--	--	105.84
Due to Employees	--	--	2,369.07	--	--	2,287.38
Current Maturities	--	--	9,228.34	--	--	7,949.61
Total Financial Liabilities	--	--	117,647.06	--	--	100,320.49

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(c) Fair value of financial assets and liabilities measured at amortised cost (₹ in Lacs)

PARTICULARS	As At 31 March 2018		As At 31 March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Preference Share	115.39	115.39	103.96	103.96
Loans	1,054.38	1,054.38	1,042.08	1,042.08
Total	1,169.77	1,169.77	1,146.04	1,146.04
Financial liabilities				
Borrowings	30,296.39	30,296.39	33,143.56	33,143.56
Security deposit	388.74	388.74	343.82	343.82
Total	30,685.13	30,685.13	33,487.38	33,487.38

**Notes to Financial Statements for the year ended 31st March, 2018**

The carrying amounts of trade receivables, other financial assets, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to short term nature. The fair values for loans, security deposits and investments in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowings rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

42) Financial risk management objectives and policies

The Company's financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investments, loans, trade and other receivables, cash & cash equivalents and other bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

PARTICULARS	As At 31 March 2018 (₹ in Lacs)	As At 31 March 2017 (₹ in Lacs)
Variable rate borrowings	90,739.60	82,003.11
Fixed rate borrowings	6,271.33	6,033.06
Total	97,010.93	88,036.17

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:



Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	Effect on Profit Before Tax	
	31st March 2018 (₹ in Lacs)	31st March 2017 (₹ in Lacs)
Increase by 50 basis points	(453.70)	(410.02)
Decrease by 50 basis points	453.70	410.02

b) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in foreign currency is in Trade payables denominated in foreign currency. The Company is not restricting its exposure of risk in change in exchange rates.

(i) Particulars of unhedged foreign currency exposure as the reporting date

PARTICULARS	Spot Rate			
	As At 31 March 2018	As At 31 March 2017	As At 31 March 2018 (₹ in Lacs)	As At 31 March 2017 (₹ in Lacs)
Trade Payable				
-USD 1	65.80	65.60	65.24	10.75
-EUR 1	81.26	70.36	12.02	13.35
-GBP 1	92.61	82.33	--	--
-JPY 1	00.62	00.59	00.08	00.08
-CHF 1	69.26	65.76	01.22	01.73

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

PARTICULARS	Effect on Profit Before Tax	
	As at 31 March 2018 (₹ in Lacs)	As at 31 March 2017 (₹ in Lacs)
USD Sensitivity		
Decrease by 5%	03.26	00.54
Increase by 5%	(03.26)	(00.54)
EUR Sensitivity		
Decrease by 5%	00.60	00.67
Increase by 5%	(00.60)	(00.67)
GBP Sensitivity		
Decrease by 5%	--	--
Increase by 5%	--	--
JPY Sensitivity		
Decrease by 5%	--	--
Increase by 5%	--	--
CHF Sensitivity		
Decrease by 5%	00.06	00.09
Increase by 5%	(00.06)	(00.09)



Notes to Financial Statements for the year ended 31st March, 2018

a) Foreign Currency Exposure (Forward Booking)

The foreign currency exposure of the Company as on reporting date is as under. The company does not use forward contracts for speculative purpose.

Category wise Quantitative Data Type Contract	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)
Forward contracts against Exports (US \$)	1,349.91	613.00
Forward contracts against imports (US \$)	1,975.89	1,021.00

(B) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk on reporting date
- (ii) Moderate credit risk
- (iii) High credit risk

Financial assets that expose the entity to credit risk:

PARTICULARS	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)
Low credit risk on reporting date		
Investments	12,716.11	13,654.39
Loans(non-current)	1,054.38	1,042.08
Trade receivables	18,012.24	20,937.45
Cash and cash equivalents	72.16	167.75
Other bank balances	128.23	109.59
Loans(current)	83.60	73.25
Other financial asset	2,437.63	2,587.79
Total	34,504.35	38,572.30
Moderate credit risk	--	--
High credit risk	--	--

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking Credit insurance for domestic sales/letter of credit for export sales, which results in low credit risk. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts.



Notes to Financial Statements for the year ended 31st March, 2018

Gross carrying amount of trade receivables

PARTICULARS	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
Ageing		
Not due	16,975.03	19,788.69
0-60 days past due	673.45	559.85
61-120 days past due	148.55	228.53
121-180 days past due	20.22	153.21
181-365 days past due	90.98	93.32
More than 365 days past due	104.01	113.85

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

PARTICULARS	(₹ in Lacs)	
	As At 31st March 2018	As At 31st March 2017
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured : Cash credit facilities	5,513.80	16,057.01
(b) Expiring beyond one year (Bank loans)		
Secured : Undrawn Rupees term loan from banks	3,762.00	4,553.40
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -		(₹ in Lacs)

PARTICULARS	(₹ in Lacs)				
	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total
Year ended 31 March 2018					
Contractual maturities of borrowings	66,714.54	9,563.10	13,364.34	1,125.10	90,767.08
Loans and advances from related parties (Unsecured)	--	--	6,271.33	--	6,271.33
Contractual maturities of Trade payables	17,436.57	--	--	--	17,436.57
Contractual maturities of security deposit received	--	64.18	400.00	--	464.18
Contractual maturities of other financial liabilities	2,369.07	317.54	--	--	2,686.61
Unpaid Dividend	124.21	--	--	--	124.21
TOTAL	86,644.39	9,944.82	20,035.67	1,125.10	117,749.98

PARTICULARS	(₹ in Lacs)				
	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total
Year ended 31 March 2017					
Contractual maturities of borrowings	54,892.10	8,938.97	16,449.00	1,756.22	82,036.29
Loans and advances from related parties (Unsecured)	--	--	6,033.06	--	6,033.06
Contractual maturities of Trade payables	9,337.30	--	--	--	9,337.30
Contractual maturities of security deposit received	--	51.43	400.00	--	451.43
Contractual maturities of other financial liabilities	2,287.38	209.99	--	--	2,497.37
Unpaid Dividend	105.84	--	--	--	105.84
TOTAL	66,622.62	9,200.39	22,882.06	1,756.22	100,461.29



Notes to Financial Statements for the year ended 31st March, 2018

43. Dividend distribution made and proposed (₹ in Lacs)

PARTICULARS	31 March 2018	31 March 2017
Cash dividend on equity shares declared and paid :		
Final dividend for year ended March 31, 2017: ₹ 1 per share (March 31, 2016: ₹ 1 per share)	398.35	398.35
Dividend distribution tax on final dividend	81.09	81.09
Total	479.44	479.44

The company did not propose dividend on equity shares for the year ended 31st March, 2018.

44. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Borrowings	97,010.93	88,036.16
Trade payables	17,436.57	9,337.30
Less: Cash and cash equivalents	200.39	277.34
Net debt (A)	114,247.11	97,096.12
Equity (B)	69,642.71	68,920.84
Capital and net debt (A+B)	183,889.82	166,016.96
Gearing ratio	62.13	58.49

45. In accordance with the section 135 of the Companies Act 2013, the company is covered by the provision of the said section - (₹ in Lacs)

PARTICULARS	As at 31st March 2018	As at 31st March 2017
The amount required to be spent	73.30	54.89
The amount spent	4.78	--

The Company for its CSR obligation joined hands with other group companies and agreed to do CSR obligation through a SPV, a recognized charitable organization, M/s. Oswal Foundation. The said organization had done various activities under CSR. Last year the project of Eye care which was under consideration could not be taken up and discarded. Now the said society is considering a new healthcare project. The company would contribute its CSR obligation as and when it is finalized. In the meantime amount of CSR obligation ₹ 68.52 lacs has been set apart towards Corporate social responsibility reserve and ₹ 54.89 as CSR liability.

46. Reconciliation of changes in liabilities arising from the financing activities including both changes arising from the cash flows and non-cash changes as per the requirement of the Ind AS-7 "Statement of Cash Flows" (₹ in Lacs)

PARTICULARS	Long-term borrowing	Short-term borrowing	Total
As at 1 April, 2017	41,093.17	46,942.99	88,036.16
Cash flows:			
Proceeds from borrowings	6,321.67	10,543.21	16,864.88
Repayment of borrowings	7,896.28	--	7,896.28
Non-cash:			
Impact of amortised cost adjustment for borrowings	6.17	--	6.17
As at 31 March, 2018	39,524.73	57,486.20	97,010.93

47. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever considered necessary to make them comparable.



Independent Auditor's Report

To The Members of

Nahar Industrial Enterprises Limited.

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS Financial Statements of Nahar Industrial Enterprises Limited. (hereinafter referred to as "the Investor Company") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a Summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Investor Company's Board of Directors is responsible for the preparation of these consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other Comprehensive Income, Consolidated changes in Equity and consolidated Cash Flows of the Investor company and its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the companies (Indian Accounting Standards) Rules, 2015 (As amended) under Section 133 of the Act. The respective Board of Directors of the Investor Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Investor Company and its Associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS Financial Statements by the Directors of the Investor Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account

the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Ind AS Financial Statements 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 consolidated Ind AS Financial Statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the associate referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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, of the consolidated state of affairs of the Investor company and its Associates as at 31st March, 2018 and their consolidated Profit (including other comprehensive income), its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) The consolidated Ind AS Financial Statements include



the Investor company's share of I-GAAP (Loss) of Rs. 0.01 Crores for the year ended 31st March, 2018 from one Associates (Cotton County Retail Limited) which have been audited by us.

- (b) We did not audit the I-GAAP Financial Statements of three companies being an associates (J.L.Growth Funds Limited, Vardhman Investment Limited and Atam Vallabh Financers Limited) whose financial statements/ financial information reflect the Investor company's share of I-GAAP profit after tax of Rs. 0.73 crores as considered in the consolidated Ind AS Financial Statements. These Financial Statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associates, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

- (c) The audited consolidated financial statements for the year ended 31 March 2017, was carried out and reported by Raj Gupta & Co, vide their unmodified audit report dated 30th May 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the consolidated financial statements. Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit report and on the consideration of the reports of other auditors on the separate financial statements of associates, we report to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash

Flow Statement, the Consolidated Statement of Changes In Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS Financial Statements.

- (d) In our opinion, the aforesaid consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Investor Company as on 31st March, 2018 taken on record by the Board of Directors of the Investor Company and the report of the statutory auditor of its associate companies incorporated in India, none of the directors of the Investor company and its associate companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' which is based on the auditor's reports of the Investor Company and its associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Investor Company and its Associate companies incorporated in India internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Investor Company, and its associates - Refer Note 31 to the consolidated Ind AS Financial Statements.
- ii. The Investor Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Investor Company and its associate companies incorporated in India during the year ended 31 March, 2018.

For K R Aggarwal & Associates
Chartered Accountants
FRN NO:-030088N

Place : Ludhiana
Dated: 30th May 2018

Kanika
Partner
M.No.539337



**"Annexure A" to the Independent Auditor's Report of even date on the
Consolidated Ind AS Financial Statements of Nahar Industrial Enterprises Limited.
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory
Requirements of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31 March, 2018, We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited (hereinafter referred to as "the Investor Company") and its associate companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the Investor Company and its associate companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Investor company and its associate companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associate companies which are incorporated in India, in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Investor

Company and its Associates internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Investor Company and its associate companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Investor Company and its associate companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

Our aforesaid report under section 143(3)(l) of the act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting insofar relates to four associate companies which are incorporated in India, is based on the corresponding reports of the auditors of such companies.

For K R Aggarwal & Associates
Chartered Accountants
FRN NO:-030088N

Place : Ludhiana
Dated: 30th May 2018

Kanika
Partner
M.No.539337



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

PARTICULARS	NOTE No.	As At 31st March, 2018 (₹ in Lacs)	As At 31st March, 2017 (₹ in Lacs)
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	3	54,315.73	53,260.41
b) Capital work in progress		4,514.63	5,557.51
c) Investment Property	4	1,597.36	1,220.73
d) Other Intangible assets	5	19.73	62.50
e) Financial Assets			
i) Investments	6a	13,768.58	14,634.79
ii) Loans	6b	1,054.38	1,042.08
f) Other non current assets	7	175.86	199.85
Total Non-Current Assets		75,446.27	75,977.87
Current Assets			
a) Inventories	8	80,288.07	64,346.26
b) Financial Assets			
i) Trade receivable	9a	18,012.24	20,937.45
ii) Cash and cash equivalents	9b	72.16	167.75
iii) Other bank balances	9c	128.23	109.59
iv) Loans	9d	83.60	73.25
v) Other Financial assets	9e	2,437.63	2,587.79
c) Other current assets	10	15,299.27	11,153.40
Total Current Assets		116,321.20	99,375.49
TOTAL ASSETS		191,767.47	175,353.36
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	4,003.42	4,003.42
b) Other Equity	12	66,478.90	65,701.74
Total Equity		70,482.32	69,705.16
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	13a	30,296.39	33,143.56
ii) Other Financial Liabilities	13b	706.28	553.81
b) Provisions	14	925.37	642.00
c) Deferred tax liabilities (Net)	15	422.22	791.83
d) Other non-current liabilities	16	23.85	47.64
Total Non-Current Liabilities		32,374.11	35,178.84
Current Liabilities			
a) Financial Liabilities			
i) Current Borrowings	17a	57,486.20	46,942.99
ii) Trade Payables	17b	17,436.57	9,337.30
iii) Other Financial Liabilities	17c	11,721.62	10,376.55
b) Other Current Liabilities	18	2,132.44	2,537.17
c) Provisions	19	6.27	1,081.89
d) Current Tax Liabilities (Net)	20	127.94	193.46
Total Current Liabilities		88,911.04	70,469.36
TOTAL EQUITY AND LIABILITIES		191,767.47	175,353.36

The accompanying notes form an integral part of these financial statements 1 to 48

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants
FRN : 030088N

Kanika
Partner
M.No. : 539337
Place : Ludhiana
Dated :30th May, 2018

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

Kamal Oswal
Vice Chairman-cum-
Managing Director
(DIN : 00493213)



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

PARTICULARS	NOTE NO.	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
INCOME			
Revenue from Operations	21	176,274.88	173,166.89
Other Income	22	610.07	561.93
Total Revenue		176,884.95	173,728.82
EXPENSES			
Cost of Materials Consumed	23	102,911.43	96,218.29
Purchases of stock-in-trade	24	4,766.90	2,684.51
Change in inventories of Finished Goods, Work-in-Progress and stock in trade	25	(5,569.55)	(5,936.51)
Excise Duty Expenses	26	397.76	942.70
Employee Benefit Expense	27	18,551.06	17,492.54
Finance Costs	28	7,073.14	5,982.38
Depreciation and Amortisation Expense	3,4,5	6,576.90	6,918.70
Other Expenses	29	40,396.50	40,815.56
Total Expenses		175,104.14	165,118.17
Profit Before share of net profit of investment accounted for using the equity method & Tax		1,780.81	8,610.65
Share of Profit/(Loss) of equity accounted investments		82.20	(125.83)
Profit Before Tax		1,863.01	8,484.82
Tax expense	30		
1) Current tax		423.13	1,983.04
Less :- Mat Credit Entitlement		(413.00)	--
2) Deferred tax		75.46	(403.00)
Profit After Tax for the period		1,777.42	6,904.78
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Re-measurement gains (losses) on defined benefit plans		238.59	(55.87)
ii) Net Gain/(loss) on FVOCI equity instruments		(949.71)	1,988.37
Deferred tax effect on the above		195.08	--
Total Other Comprehensive Income		(516.04)	1,932.50
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		1,261.38	8,837.28
Basic and diluted earnings per equity share (Face value of equity share ₹10 each)	36	4.46	17.33

The accompanying notes form an integral part of these financial statements 1 to 48

As per our separate report of even date attached
For K R AGGARWAL & ASSOCIATES
 Chartered Accountants
 FRN : 030088N

For and on behalf of the Board

Kanika
 Partner
 M.No. : 539337
 Place : Ludhiana
 Dated :30th May, 2018

Mukesh Sood
 Company Secretary

Bharat Bhushan Gupta
 Chief Financial Officer

Dinesh Gogna
 Director
 (DIN : 00498670)

Kamal Oswal
 Vice Chairman-cum-
 Managing Director
 (DIN : 00493213)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	2017-18 (₹ in Lacs)	2016-17 (₹ in Lacs)
(A) Cash Flow from Operating Activities		
Net profit/(Loss) before Tax	1,863.01	8,484.82
Adjustment for:		
Depreciation	6,576.90	6,918.70
Power & fuel Exp	13.82	13.82
Other Income	(35.22)	(34.09)
Rent	6.26	6.26
Remeasurement of defined benefit plan	238.59	(55.87)
Sundry balances written back (Net)	(53.37)	239.68
Provision for diminution in value of investment	--	355.52
Profit on sale of Property, Plant and Equipment (Net)	(254.35)	(175.31)
Dividend Received	(62.13)	(62.13)
Interest Income	(133.62)	(169.29)
Interest Expense	7,073.14	5,982.38
Share of (Profit)/Loss of associates	(82.20)	125.83
Operating Profit before Working Capital Changes	15,150.83	21,630.32
Adjustment for		
Trade & other receivable	(1,103.39)	(4,198.53)
Inventories	(15,941.81)	1,289.50
Trade Payables	7,165.48	5,192.96
Cash Generated from operations	5,271.11	23,914.25
Direct Taxes Paid	(315.52)	(2,047.83)
Net Cash from Operating Activities	4,955.59	21,866.42
(B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(8,550.88)	(10,151.67)
Sale of Property, Plant and Equipment	1,882.03	614.00
Interest Received	133.62	169.29
Dividend Received	62.13	62.13
Net cash used in Investing Activities	(6,473.10)	(9,306.25)
(C) Cash Flow from Financing Activities		
Interest paid	(7,073.14)	(5,982.38)
Dividend paid	(379.98)	(390.58)
Corporate dividend tax	(81.09)	(81.09)
Proceeds from Long Term Borrowings (Net)	(1,568.44)	(3,190.29)
Changes in Working Capital Borrowings	10,543.21	(2,982.01)
Net Cash used in Financing Activities	1,440.56	(12,626.35)
Net Change in Cash & Cash Equivalents (A+B+C)	(76.95)	(66.18)
Opening Cash & Cash Equivalents	277.34	343.52
Closing Cash & Cash Equivalents	200.39	277.34

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.
3. Refer Note no-46, debt reconciliation as per Ind AS-7 "Statement of Cash Flows".

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants
FRN : 030088N

Kanika
Partner
M.No. : 539337
Place : Ludhiana
Dated : 30th May, 2018

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

Kamal Oswal
Vice Chairman-cum-
Managing Director
(DIN : 00493213)



Consolidated Statement of Changes in Equity for the Year ended 31st March 2018

PARTICULARS	2017-18 (₹ in Lacs)								
A. Equity Share Capital									
As at April 1, 2017								4,003.42	
Issue of Equity Share capital								-	
As at March 31, 2018								<u>4,003.42</u>	
B. Other Equity									
Attributable to the equity holders									
	Reserve & Surplus								
PARTICULARS	Security Premium Reserve	Capital Reserve	Capital Redemption Reserve	Contingent Liability Reserve	Corporate Social Responsibility Reserve	General Reserve	Retained Earnings	Total	
Balance as at April 1, 2016	33,454.08	9,474.86	1,925.00	754.90	--	11,789.95	--	57,398.79	
Profit for the year	--	--	--	--	--	--	6,904.78	6,904.78	
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--	(55.87)	(55.87)	
Other Comprehensive Income	--	--	--	--	--	--	1,988.37	1,988.37	
Total Comprehensive Income for the year	33,454.08	9,474.86	1,925.00	754.90	--	11,789.95	8,837.28	66,236.07	
Dividends (including tax thereon)	--	--	--	--	--	--	(479.44)	(479.44)	
CSR Expense	--	--	--	--	--	--	(54.89)	(54.89)	
Transfer from Retained Earning	--	--	--	--	--	8,302.95	--	8,302.95	
Transfer to General Reserve	--	--	--	--	--	--	(8,302.95)	(8,302.95)	
Balance as at March 31, 2017	33,454.08	9,474.86	1,925.00	754.90	--	20,092.90	--	65,701.74	
Profit for the year	--	--	--	--	--	--	1,777.42	1,777.42	
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--	238.59	238.59	
Other Comprehensive Income	--	--	--	--	--	--	(754.63)	(754.63)	
Total Comprehensive Income for the year	33,454.08	9,474.86	1,925.00	754.90	--	20,092.90	1,261.38	66,963.12	
Dividends (including tax thereon)	--	--	--	--	--	--	(479.44)	(479.44)	
CSR Expense	--	--	--	--	--	--	(4.78)	(4.78)	
Transfer to Corporate social Responsibility Reserve	--	--	--	--	--	--	(68.52)	(68.52)	
Transfer from Retained Earning	--	--	--	--	68.52	708.64	--	777.16	
Transfer to General Reserve	--	--	--	--	--	--	(708.64)	(708.64)	
Balance as at March 31, 2018	33,454.08	9,474.86	1,925.00	754.90	68.52	20,801.54	--	66,478.90	

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

Kanika
Partner
M.No. : 539337
Place : Ludhiana
Dated : 30th May, 2018

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

Kamal Oswal
Vice Chairman-cum-
Managing Director
(DIN : 00493213)



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

1. Background

Nahar Industrial Enterprises Limited (the "Group") incorporated in 1983 is engaged in the business of Textiles and Sugar in India. The Group is a public Group domiciled in India under the provision of companies Act, 1956. Its shares are listed in recognized stock exchange BSE/NSE of India. The registered office of the Group is located in Focal Point, Ludhiana.

Note: 2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated financial statements are for the Group consisting of Nahar Industrial Enterprises Limited (The 'Group') and its associates.

(a) Basis of Preparation**(i) Compliance with Ind AS**

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The Consolidated financial statements of the group have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans-assets measured at fair value.

The Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical Cost Convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- (i) Derivative Financial Instruments measured at fair value
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- (iii) Employee's Defined Benefit Plan as per actuarial valuation.

(iii) Rounding of amounts

All amounts disclosed in the Consolidated financial statements and notes have been rounded off to two decimals places to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

(b) Principle of consolidation and equity accounting**(i) Associates**

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(ii) Equity Method

Under the equity method of accounting the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss,

When the group's share of losses in an equity-accounted investment equals or exceeds its interests in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2 (h) below.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

(c) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value Measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares Financial instruments
- Financial instruments

(d) Current versus non-current classification

All assets and liabilities have been classified as current or non current as per Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

(e) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical costless depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the Group has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently, the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition i.e. 1st April, 2015.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2018****Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their useful lives except in case of Arham Spinning Mills, Lalru. In case of new projects and major expansion of the existing units undertaken by the Group after 1st April, 2005 till 31st March, 2012, Depreciation charged on the Straight line method. Leasehold land is amortised over period of lease. The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act. The residual values are not more than 5% of the original cost of the asset.

(f) Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on the basis of Written Down Value Method based on expected life span of assets which is in accordance with Schedule II of Companies Act, 2013. Significant parts of the property are depreciated separately based on their specific useful lives. Any gain or loss on disposal of investment properties is recognised in profit or loss account

(g) Intangible assets**Computer Software**

The Group has capitalised computer software in the nature of software licenses as intangible assets and the cost of software is amortized over the period of 4 years, being their expected useful economic life.

(h) Impairment of Non-financial assets

Assets are tested for impairment annually and whenever there is an indication that the assets may be impaired. An impairment losses recognized whenever the carrying amount of an asset or its cash generated (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. Impairment losses, if any, are recognized in the statement of profit and loss. The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(i) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores & spares at the weighted average cost, Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

(j) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expense in the period in which they are incurred.

(k) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants are recognised and shown in the balance sheet as liability and Income is accrued based on the terms of schemes in the statement of profit and loss over a phased manner in consideration with scheme terms and related use of assets.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

(l) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(m) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Nahar Industrial Enterprises Limited functional and presentation currency. Foreign currency translations are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty till 30.06.2017 and net of returns, trade allowances, rebates, discounts and Goods & Service Tax (GST).

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Sale of goods

Sales are recognised when substantial risk and rewards of ownership are transferred to customer as per the terms of the contract, there is no continuing managerial involvement with the goods. The Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods., in case of domestic customer, sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, sales takes place when goods are shipped onboard based on bill of lading.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

Revenue from Services

Revenue from services is recognised in the accounting period in which the services are rendered.

Other operating revenue Export incentives

Revenue in respect of export incentives is recognised when such incentives accrue upon export of goods.

(o) Leases

Lease of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected inflation to compensate for the lessor's expected inflationary cost increases.

(p) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in associates where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in associates where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

(q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand and other bank balances.

(r) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment if any. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(s) Financial instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group assesses on a forward looking basis the expected credit losses associated with its assets.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(t) Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(u) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Derivatives that are not designated as hedges

The Group enters into certain derivatives contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

**Consolidated Notes to Financial Statements for the year ended 31st March, 2018****(w) Employee benefits****(i) Short term obligations**

Liabilities for wages and salaries, short term compensated absence and ex-gratia including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(ii) Post-employment obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations.

The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. The managing committee is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in IND AS 108. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. The Group has Operating segments comprising of Textile and Sugar.

(y) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(z) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the

**Consolidated Notes to Financial Statements for the year ended 31st March, 2018**

extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(aa) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Group

By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would be outstanding assuming the conversion of all dilutive potential equity shares.

Note: 2.1 Critical estimates and judgements

The preparation of Consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Consolidated financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 30
- Estimation of defined benefit obligation – Note 40
- Recognition of deferred tax assets for carried forward tax losses – Note 15

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on Group and that are believed to be reasonable under the circumstances.



Consolidates Notes to Financial Statements for the year ended 31st March, 2018
3. PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2017	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2018	Upto 31.03.2017	Provided during the year*	Adjusted/ Written back during the year	Total upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Leasehold Land	123.49	--	--	123.49	29.11	1.25	--	30.36	93.13	94.38
Freehold Land	8,601.81	82.00	--	8,683.81	--	--	--	--	8,683.81	8,601.81
Building	34,163.60	172.04	1,186.27	33,149.37	15,927.05	1,073.59	218.74	16,781.90	16,367.47	18,236.55
Plant & Machinery *	144,800.95	7,968.95	3,484.68	149,285.22	119,309.12	4,940.60	2,837.00	121,412.72	27,872.50	25,491.83
Furniture & Fixtures	923.64	39.06	7.35	955.35	671.82	71.52	4.83	738.51	216.84	251.82
Office Equipment	1,054.95	56.95	2.68	1,109.22	937.07	54.56	2.27	989.36	119.86	117.88
Vehicles	958.36	845.81	53.10	1,751.07	492.22	340.29	43.56	788.95	962.12	466.14
TOTAL	190,626.80	9,164.81	4,734.08	195,057.53	137,366.39	6,481.81	3,106.40	140,741.80	54,315.73	53,260.41
Previous Year	185,484.77	6,425.58	1,283.55	190,626.80	131,402.15	6,809.11	844.87	137,366.39	53,260.41	54,082.62

Note * - The current year depreciation has been reduced by ₹ 42.40 lacs on account of cenvat capitalised during last year of amounting to ₹ 562.22 lacs and the same has been retired from plant and machinery during the year which resulted in reversal of depreciation.

4. INVESTMENT PROPERTY

Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2017	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2018	Upto 31.03.2017	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Freehold Land	162.75	428.95	--	591.70	--	--	--	--	591.70	162.75
Building	1,436.02	--	--	1,436.02	378.04	52.32	--	430.36	1,005.66	1,057.98
TOTAL	1,598.77	428.95	--	2,027.72	378.04	52.32	--	430.36	1,597.36	1,220.73
Previous Year	1,598.77	--	--	1,598.77	322.83	55.21	--	378.04	1,220.73	1,275.94

Amount recognised in profit and loss for investment properties:

Particulars	31st March, 2018	31st March, 2017
Rental Income	38.01	97.85
Direct operating expenses that generated rental income	52.32	55.21
Profit/(loss) from leasing of investment properties	(14.31)	42.64

5. OTHER INTANGIBLE ASSETS

Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2017	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2018	Upto 31.03.2017	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	458.31	--	--	458.31	395.81	42.77	--	438.58	19.73	62.50
TOTAL	458.31	--	--	458.31	395.81	42.77	--	438.58	19.73	62.50
Previous Year	458.31	--	--	458.31	341.43	54.38	--	395.81	62.50	116.88



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
6.(a) Investments		
(i) Investment in Equity Instrument		
Investment in Associates (Unquoted) (Cost)		
180,000 Fully Paid Up Equity shares of ₹ 100/- each of J.L. Growth Fund Limited (Previous Year 180,000)	1,684.80	1,684.80
Add: Accumulated profit from Associated Companies	<u>721.11</u>	<u>688.46</u>
	2,405.91	2,373.26
250,000 Fully Paid Up Equity shares of ₹ 100/- each of Vardhman Investment Limited (Previous Year 250,000)	1,475.00	1,475.00
Add: Accumulated profit from Associated Companies	<u>195.60</u>	<u>171.83</u>
	1,670.60	1,646.83
164,000 Fully Paid Up Equity shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	1,066.00	1,066.00
Add: Accumulated profit from Associated Companies	<u>136.60</u>	<u>119.54</u>
	1,202.60	1,185.54
10,729,474 Fully Paid Up Equity shares of ₹ 10/- each of Cotton County Retail Limited (Previous Year 10,729,474)	3,978.92	3,978.92
Add: Accumulated profit from Associated Companies	<u>(0.84)</u>	<u>00.57</u>
	3,978.08	3,979.49
Sub Total	<u>9,257.19</u>	<u>9,185.12</u>
(ii) Investment in Equity Instrument		
Investments at fair value through OCI		
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)	2,038.74	3,188.93
1,264,720 Fully Paid Up Equity shares of ₹ 5/- each of Nahar Poly films Limited (Previous Year 1,264,720)	673.46	768.32
1,363,221 Fully Paid Up Equity shares of ₹ 5/- each of Nahar Capital & Financial Services Limited (Previous Year 1,363,221)	1,676.77	1,381.62
12,555 Fully Paid Up Equity shares of ₹ 10/- each of Pasupati Acrylon Ltd. (Previous Year 12,555)	3.00	2.81
50 Fully Paid Up Equity shares of ₹ 10/- each of Malwa Cotton Mills Limited (Previous Year 50)	--	--
Sub Total	<u>4,391.97</u>	<u>5,341.68</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
(iii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Unquoted)		
30,900- Fully paid up Equity shares ₹ 10/- each of BPL Engineering Ltd. (Previous Year 30,900)	2.80	2.80
22,500- Fully paid up Equity shares ₹ 10/- each of Pertech Computer Ltd. (Previous Year 22,500)	0.23	0.23
7,700 Fully Paid up Equity shares ₹ 10/- each of R.S. Petro Chemical Ltd. (Previous Year 7,700)	0.08	0.08
3,360 - Fully paid up Equity shares ₹ 100/- each of Nagdevi Trading & Investment Co. Ltd. (Previous Year 3,360)	0.51	0.51
3,558,786- Fully paid up Class-'A' Equity shares ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,558,786)	0.36	0.36
One Fully paid up Equity share ₹ 100/- of Punjab State Co-operative Bank Ltd. (Previous Year One) (Cost ₹ 100)	--	--
One Fully paid up Equity shares ₹ 5,000/- each of Krishna Building Owners Association (Previous Year One)	0.05	0.05
Sub Total	4.03	4.03
(iv) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted)		
At Amortised COST		
3,156,958- Fully paid up Class 'A' 0.01% Cumulative Redeemable Preference Shares ₹ 10 each of VS Lignite Power Pvt. Ltd. (Previous Year 3,156,958)	115.39	103.96
Sub Total	115.39	103.96
TOTAL (i+ii+iii+iv)	13,768.58	14,634.79
1. Market Value of Quoted Investment	4,391.97	5,341.68
2. Aggregate amount of Unquoted Investment	9,376.61	9,293.11
3. Aggregate amount of Total Investment	13,768.58	14,634.79

**Consolidated Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	As at 31st March, 2018 (₹ in Lacs)	As at 31st March, 2017 (₹ in Lacs)
6b Loans (Unsecured, considered good)		
Security deposits	1,054.38	1,042.08
Total	1,054.38	1,042.08
7. Other Non-Current Assets		
Capital Advances	12.85	12.85
Prepaid Lease Rentals	37.54	43.80
Deferred Power Purchase Cost	119.70	133.52
Prepaid Expense	5.77	9.68
Total	175.86	199.85
8. Inventories (As taken, valued and approved by management)		
Raw Materials	35,817.57	26,180.14
Work-in-Progress	5,370.68	5,678.90
Finished Goods	35,672.52	29,794.75
Stores and Spares	3,427.30	2,692.47
Total	80,288.07	64,346.26
8.1 Detail of Inventory-Finished Goods		
Yarn	8,954.65	6,603.20
Fabrics	12,865.77	9,053.01
Sugar	13,232.00	12,586.19
Other	620.10	1,552.35
Total	35,672.52	29,794.75
9a Trade receivables		
Unsecured, considered good	18,012.24	20,937.45
Total	18,012.24	20,937.45
9b Cash and cash equivalents		
Balances with banks - current accounts	38.03	126.35
Cash-in-Hand	34.13	41.40
Total	72.16	167.75
9c Other bank balances		
Unpaid Dividend Account	124.21	105.84
Fixed deposit having original maturity more than 3 months but less than 12 months	4.02	3.75
Total	128.23	109.59
9d Loans		
Loans to employees	83.60	73.25
Total	83.60	73.25

**Consolidated Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	As at 31st March, 2018 (₹ in Lacs)	As at 31st March, 2017 (₹ in Lacs)
9e Other Financial assets		
Other Financial assets	00.16	00.15
Derivaive Asset	14.55	--
Government Grant Receivables	2,422.92	2,587.64
Total	2,437.63	2,587.79
10 Other current assets		
Advances to suppliers	3,274.94	3,059.09
Advances to employees	62.73	16.41
Balance with government authorities	9,410.46	3,771.81
Prepaid expenses	333.35	257.75
Prepaid Lease rentals	6.26	6.26
Deferred Power Purchase Cost	13.82	13.82
Expense recoverable	2,197.71	4,028.26
Total	15,299.27	11,153.40
11. Equity Share Capital		
Authorized:		
65,000,000 Equity Shares of ₹ 10/- each (Previous Year 65,000,000)	6,500.00	6,500.00
Total	6,500.00	6,500.00
Issued, Subscribed and Fully Paid up :		
39,835,141 Equity Shares of ₹ 10/- each (Previous Year 39,835,141)	3,983.51	3,983.51
Add: Share Forfeited Account (Amount originally paid up)	19.91	19.91
Total	4,003.42	4,003.42
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



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
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- b. Terms/rights attached to Equity Shares:**
The Company has only one class of Equity Shares having Face value of ₹ 10/- each holder of Equity Share is entitled to only one vote per shares:

- c. Detail of Shareholders holding more than 5% shares:**

Shareholders	As At 31st March, 2018		As At 31st March, 2017	
	Number	% 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 Investment Ltd.	2,277,955	5.72	2,277,955	5.72
Oswal Woolen Mills Ltd.	2,094,819	5.26	2,094,819	5.26
Nagdevi Trading & Investment Co. Ltd.	2,273,625	5.71	2,273,625	5.71
Kovalam Investment & Trading Co. Ltd.	2,068,920	5.19	2,068,920	5.19

12. Other Equity

Capital Reserve

Balance as per last Balance Sheet 9,474.86 9,474.86

Capital Redemption Reserve

Balance as per last Balance Sheet 1,925.00 1,925.00

Securities Premium Account

Balance as per last Balance Sheet 33,454.08 33,454.08

Contingent Liability Reserve

Balance as per last Balance Sheet 754.90 754.90

Corporate Social Responsibility Reserve

Transfer from Retained Earning 68.52 --

General Reserve

Balance as per last Balance Sheet	20,092.90		11,789.95	
Add: Transfer from Retained Earning	708.64	20,801.54	8,302.95	20,092.90

Retained Earnings

Balance as per last Balance Sheet	--		--	
Add: Profit for the year	1,777.42		6,904.78	
Add: Remeasurement gain/(loss) on defined benefit plan	238.59		(55.87)	
Add: Other Comprehensive income	(754.63)		1,988.37	
Less: Corporate Social Responsibility Expense	4.78		54.89	
Less: Transfer to Corporate Social Responsibility Reserve	68.52		--	
Less: Dividend On Equity shares	398.35		398.35	
Less: Corporate Dividend Tax	81.09		81.09	
Balance Transferred to General Reserve	708.64	--	8,302.95	--

Total		66,478.90		65,701.74
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Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
13a Borrowings		
Term loans (Secured)		
From Banks	24,025.06	27,110.50
Others Unsecured		
Loans and Advances from Related Parties	6,271.33	6,033.06
Total	30,296.39	33,143.56

*There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2018:

13a.1 Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans*

As At 31st March, 2018 (₹ in Lacs)	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2018 No.	Periodicity
1,600.00	3.5	6	Quarterly
1,600.71	3.5	6	Quarterly
2,356.55	6	22	Quarterly
253.16	8	4	Quarterly
4,993.79	8	8	Quarterly
609.44	8	8	Quarterly
1,312.96	8	9	Quarterly
8,057.00	8	13	Quarterly
1,725.65	5	14	Quarterly
319.06	8	7	Quarterly
371.07	5	19	Quarterly
612.56	4	9	Quarterly
332.25	3	4	Quarterly
1,304.40	5	19	Quarterly
3,964.30	5	19	Quarterly
1,498.00	5	20	Quarterly
2,370.00	4	20	Quarterly
33,280.90			

* Figures of term loan stated in para 13a .1(i) includes current maturities of Long term debt shown separately in notes no. 17c and exclude ₹ 27.50 lacs transaction cost amortised over the period of Term loan.

Term Loan from IDBI Bank Limited, State Bank of India, Allahabad Bank, Punjab & Sind Bank, Canara Bank, Dena 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 Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, 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.

ii) Loans and advances from the related parties will be paid after three years.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2017:

13a.1 Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans*

As At 31st March, 2017 (₹ in Lacs)	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2017 No.	Periodicity
2,400.00	3.5	10	Quarterly
2,400.00	3.5	10	Quarterly
1,933.60	6	24	Quarterly
506.28	8	8	Quarterly
7,113.00	8	12	Quarterly
918.20	8	12	Quarterly
1,896.48	8	13	Quarterly
374.70	8	1	Quarterly
9,542.08	8	17	Quarterly
1,890.97	5	18	Quarterly
501.38	8	11	Quarterly
390.60	5	20	Quarterly
884.81	4	13	Quarterly
664.52	3	8	Quarterly
1,080.00	5	20	Quarterly
2,595.00	5	20	Quarterly
2.18	3	12	Monthly
35,093.80			

* Figures of term loan stated in para 13a .1(i) includes current maturities of Long term debt shown separately in notes no. 17c and exclude ₹ 33.69 lacs transaction cost amortised over the period of Term loan.

Term Loan from IDBI Bank Limited, State Bank of Patiala, State Bank of Hyderabad, Allahabad Bank, Punjab National Bank, Punjab & Sind Bank, Dena 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 Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amluh, 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.

ii) Loans and advances from the related parties will be paid after three years.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
13b Other Financial Liabilities		
Security deposit	388.74	343.82
Other Liabilities	317.54	209.99
Total	706.28	553.81
14 Provisions		
Provision for Gratuity	925.37	642.00
Total	925.37	642.00
15 Deferred Tax Liabilities (net)		
Deferred Tax Liability		
Relating to Property, plant and equipment	1,898.57	1,641.81
Others	212.86	196.07
Deferred Tax Assets		
Disallowance u/s 43B of the Income Tax Act, 1961 and brought forward losses	739.14	540.81
Others	950.07	505.24
Total	422.22	791.83
16 Other Non-current Liabilities		
Deferred Income	23.85	47.64
Total	23.85	47.64
17a Current Borrowings		
From Banks		
Loans repayable on demand	57,486.20	46,942.99
Total	57,486.20	46,942.99
17a.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.		
17b Trade Payables		
Micro, Small and Medium Enterprises	--	--
Others	17,436.57	9,337.30
Total	17,436.57	9,337.30

17b.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	As at 31 st March, 2018	As at 31 st March, 2017
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	--	--

**Consolidated Notes to Financial Statements for the year ended 31st March, 2018**

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
-------------	--	--

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
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.	--	--

17c Other Financial Liabilities

Unpaid Dividend	124.21	105.84
Due to Employees	2,369.07	2,287.38
Derivative Liability	--	33.72
Current Maturities	9,228.34	7,949.61
Total	11,721.62	10,376.55

17c.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor's Education and Protection Fund.

18 Other Current Liabilities

Statutory dues payables	379.66	384.53
Advance from customers	338.06	436.90
Deferred Income	23.78	23.78
Others	1,390.94	1,691.96
Total	2,132.44	2,537.17

19 Provisions

Provision for Employee Benefits	6.27	179.04
Provision for Excise duty payable	--	902.85
Total	6.27	1,081.89

20 Current Tax Liability (Net)

Advance income Tax / TDS/TCS	285.06	1,779.54
Less Provision for Taxation	413.00	1,973.00
Total	127.94	193.46



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
21 Revenue from Operations		
a) Sale of Products	168,559.74	169,035.90
b) Sale of services	769.19	567.41
c) Miscellaneous sales	6,538.60	2,818.23
d) Other operating revenue Export Incentives	407.35	745.35
Total	176,274.88	173,166.89
21a.1 Details of Products Sold		
Yarn	80,991.25	84,463.18
Fabrics	64,896.89	67,851.11
Sugar	20,468.07	15,700.13
Others	9,511.32	4,407.12
Total	175,867.53	172,421.54
22 Other Income		
Interest income	133.62	169.29
Dividend Income	62.13	62.13
Rental Income	44.15	105.82
Profit on sale of Fixed Assets	270.90	179.48
Others	99.27	45.21
Total	610.07	561.93
23 Cost of Materials Consumed		
Opening stock	26,180.14	33,425.13
Add : Purchases (Net)	112,548.86	88,973.30
Less: Closing Stock	35,817.57	26,180.14
Total	102,911.43	96,218.29
23.1 Detail of Cost of Material Consumed		
Fibres	79,812.29	77,368.33
Yarn	3,843.48	3,387.99
Sugarcane	16,469.91	13,628.76
Others	2,785.75	1,833.21
Total	102,911.43	96,218.29
24 Purchases of stock-in-trade		
Yarn	2,699.52	2,441.04
Fabrics	142.95	83.21
Fibre	1,924.43	156.43
Garments	--	3.83
Total	4,766.90	2,684.51
25 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	5,678.90	4,885.64
Finished Goods	29,794.75	24,651.50
Total	35,473.65	29,537.14
Less: Closing Stock		
Work-in-progress	5,370.68	5,678.90
Finished Goods	35,672.52	29,794.75
Total	41,043.20	35,473.65
Total	(5,569.55)	(5,936.51)



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
26 Excise Duty Expenses		
Excise Duty on sales	397.76	942.70
Total	397.76	942.70
27 Employee Benefits Expense		
Salary, Wages and Other Allowances	16,392.02	15,647.39
Contribution to provident and other funds	2,009.30	1,694.94
Staff welfare expenses	123.79	133.97
Staff Recruitment & Development expenses	25.95	16.24
Total	18,551.06	17,492.54
28 Finance cost		
Interest Expense	6,880.36	5,814.83
MTM loss/(gain) on forward Contracts	(48.26)	(19.96)
Other Borrowings Cost	241.04	187.51
Total	7,073.14	5,982.38
29 Other expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	13,292.94	13,901.01
Power and Fuel	22,025.99	20,145.11
Handling and Restacking charges	541.10	585.89
Machinery Repairs and Maintenance	648.24	525.48
Excise duty on stocks	(902.66)	126.64
Sub Total	35,605.61	35,284.13
b. Administrative & Other Expenses		
Rent	53.61	57.16
Rates & Taxes	133.36	122.33
Insurance	368.54	324.51
Legal & Professional Expenses	169.63	103.34
Travelling & Conveyance*	500.90	499.31
Vehicle Repair & Maintenance	848.86	136.04
Repairs and Maintenance	409.61	270.46
Payment To Auditor	14.46	15.62
Loss on Sale/Discard of Fixed Assets	16.55	4.17
Provision of Diminution in Value of Investment	--	355.52
Directors Remuneration	259.68	399.68
Directors' Meeting Fees	3.20	4.72
Charity & Donation	00.15	00.14
Miscellaneous Expenses	215.60	495.65
Sub Total	2,994.15	2,788.65
*Include Director Travelling of ₹ 53.04 Lacs (Previous Year ₹ 28.84 Lacs)		
c. Selling Expenses		
Forwarding and Octroi	872.85	1,588.20
Commission & Brokerage	598.47	860.18
Other Selling Expenses	325.42	294.40
Sub Total	1,796.74	2,742.78
Total (a+b+c)	40,396.50	40,815.56
29.1 Payment to Auditors		
As Auditor:		
Audit fee	9.21	10.03
Tax audit fee	3.29	3.79
In other capacity:	1.28	0.95
Reimbursement of expenses	0.68	0.85
Total	14.46	15.62



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
30 Tax Expense		
Current Tax	10.13	1,983.04
Deferred Tax	75.46	(403.00)
Total	85.59	1,580.04
30.1 Reconciliation of tax liability of book profit vis-a-vis actual Tax Liability		
Accounting Profit Before Tax	1,863.01	8,484.82
Enacted Tax Rate	34.608%	34.608%
Current Tax Expenses on Profit before Tax at the enacted Income tax rate in India	644.75	2,936.42
Less : Adjustments in respect of differences are of permanent nature as per Income Tax act	559.26	1,083.92
Less : Other Deferred Tax Adjustment	(0.10)	272.46
Income Tax Expenses reported in the Statement of Profit & Loss	85.59	1,580.04

31) CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) Letter of Credits in favour of suppliers and others ₹ 7,602.85 Lacs (Previous Year ₹ 864 Lacs)
- b) Bank Guarantees in favour of suppliers and others ₹ 1,532.79 Lacs (Previous Year ₹ 2,218.26 Lacs)
- c) Sales tax demands against which the company has preferred appeals ₹ 57.74 Lacs. (Previous Year ₹ 67.17 Lacs)
- d) Income tax demands against which the company has preferred appeals ₹ 1,339.89 Lacs. (Previous Year ₹ 1,368.89 Lacs).
- e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 571.84 Lacs on various matters under the Central Excise Rules (Previous Year ₹ 640.83 Lacs).The Company has filed suitable reply with the concerned authorities.
- f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 426.73 Lacs (Previous Year ₹ 3,124.90 Lacs). In favour of the President of India for fulfilment of its obligation under the rules made Central Excise Act, 1944 and Customs Act, 1962.
- g) Claims of ₹ 3,680.22 Lacs. (Previous Year ₹ 3,602.98 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.
- h) Employees' state Insurance Corporation has raised demand of ₹ 124.62 Lacs.(Previous Year Nil) The Company deposited ₹ 94.64 Lacs against the said demand. The Company has filed Civil Suit before the Civil Judge (Sr. Div.), ESI Court, Ludhiana.
- i) Company's share of contingencies of ₹ 15.10 Lacs (Previous Year ₹ 15.10 Lacs) in its associates for which the company is also contingently liable.

32. Capital Commitment

Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ 5,911.33 Lacs (Previous Year ₹ 908.89 Lacs).

33. The Company has undertaken export obligations of ₹ 40,671.89 Lacs (Previous Year ₹ 50,005.74) 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 ₹ 39,092.20 Lacs (Previous Year ₹ 48,426.05 Lacs) have been fulfilled up to 31 March, 2018.
34. 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.
35. Export/domestic bills discounted under Letter of Credit outstanding as on 31.03.2018 for ₹ 3,196.84 Lacs (Previous Year ₹ 3,531.48 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

36) Earnings Per Share (EPS) (Ind AS-33) (₹ in Lacs)	(₹ in Lacs)	
	2017-18	2016-17
Profit/loss after Tax (₹ in Lacs)	1,777.42	6,904.78
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 (₹)	4.46	17.33

37) Segment Information as required by Ind AS-108 "Operating Segments" issued by the ICAI and compiled on the basis of the financial statements is as under :-

	Textile		Sugar		Others		Total	
	31st March	31st March	31st March	31st March	31st March	31st March	31st March	31st March
	2018	2017	2018	2017	2018	2017	2018	2017
Segment Revenue								
Total Revenue	154,036.56	155,126.28	22,400.39	17,629.20	255.01	338.59	176,691.96	173,094.07
Less: Inter Segment Revenue							824.43	672.53
Net Revenue							175,867.53	172,421.54
Segment Results								
Profit/ (Loss) before interest, exceptional items & tax	5,268.24	10,943.98	3,823.84	3,933.84	(238.13)	(284.79)	8,853.95	14,593.03
Less: Interest							7,073.14	5,982.38
Profit before exceptional items & tax							1,780.81	8,610.65
Segment Assets	150,872.26	139,227.84	17,491.17	17,400.60	23,404.04	18,724.92	191,767.47	175,353.36
Segment Liabilities	68,259.58	52,365.87	11,214.09	9,535.36	1,864.53	1,861.97	81,338.20	63,763.20
Capital Employed								
Segment Assets- Segment Liabilities	82,612.68	86,861.97	6,277.08	7,865.24	21,539.51	16,862.95	110,429.27	111,590.16

38) Related Party Disclosures as required by IND AS-24 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. Jawahar Lal Oswal	Chairman
Sh. Kamal Oswal	Vice Chairman-cum-Managing Director
Sh. Dinesh Oswal	Non Executive Director
Sh. Dinesh Gogna	Non Executive Director
Sh. Navdeep Sharma	Non Executive Director
Dr. (Mrs) H.K. Bal	Non Executive Director
Dr. A.S Sohi	Non Executive Director
Sh. A.S Chatha, IAS (Retd)	Non Executive Director
Dr. Vijay Asdhir	Non Executive Director
Dr. Suresh Kumar Singla	Non Executive Director
Sh. Bharat Bhushan Gupta	Chief Financial Officer
Sh. Mukesh Sood	Company Secretary

**Consolidated Notes to Financial Statements for the year ended 31st March, 2018**

4. Relatives of Key Management Personnel	Mrs. Abhilash Oswal Mrs. Manisha Oswal Mrs. Ritu Oswal Mrs. Ruchika Oswal Mrs. Monika Oswal Mr. Rishab Oswal Mr. Abhinav Oswal
5. 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 Fashion Limited Nahar Poly Films Limited Kovlam Investment & Trading Co. Ltd. Nagdevi Trading & Investment Co. Ltd. Sankheshwar Holding Co. Ltd. Vanaik Investors Ltd. Vinayak Spinning Mills Ltd.* Crown Star Limited* Hug Foods Pvt. Ltd. Abhilash Growth Fund Pvt. Ltd Nahar Growth Fund Pvt. Ltd Neha Credit & Investment Ltd. Nahar Financial & 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.* Oswal Leasing Limited* Bermuda Insurance Brokers Pvt. Ltd.* Vigil Investment Pvt. Ltd.* Cabot Trading & Inv. Co. Pvt. Ltd.* Marble E-Retail Pvt. Ltd.* Survat Trading Co. Ltd.* Amlah Industries Limited* Oswal Foundation* White Tiger Breweries and Distilleries Ltd* Shri Atam Fabrics Ltd*

* No transaction has taken place during the year

b) Detail of transactions entered into with related parties during the year;



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

Particulars	Associates		Key Management		Enterprises in which Key Manager Personnel and relative of such personnel is able to exercise significant influence or control		Relative of Key Management Personnel	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Purchase of Goods	11.90	18.09	--	--	10,897.73	7,698.18	--	--
Sales of Goods	1,753.21	1,398.16	--	--	20,875.16	16,752.89	--	--
Purchase of Fixed Assets	--	0.01	--	--	19.08	8.61	--	--
Sale of Fixed Assets	--	--	--	--	--	8.16	--	--
Freight income	3.56	--	--	--	503.57	--	--	--
Processing Charges Received	--	--	--	--	26.94	166.34	--	--
Processing Charges Paid	227.51	295.22	--	--	--	--	--	--
Interest Paid	503.93	553.06	--	--	--	--	--	--
Rent Received	15.57	15.18	15.00	15.00	8.59	80.09	--	--
Rent Paid	25.72	23.38	--	--	--	--	--	--
Reimbursement of - expenses received	9.08	12.99	--	--	115.98	127.05	--	--
Dividend Received	--	--	--	--	62.13	62.13	--	--
Dividend Paid	73.91	73.91	0.01	0.01	199.19	199.19	--	--
Director Meeting Fee	--	--	3.77	4.72	--	--	--	--
Remuneration	--	--	--	--	--	--	52.24	34.39
Loan Received (net)	--	77.93	--	--	--	--	--	--
Loan Paid	239.23	--	--	--	--	--	--	--
Balance Payable/Receivable (net)	(6,349.71)	(6,093.16)	--	--	(981.70)	1110.11	--	--



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

Remuneration of KMP

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
i) Short Term benefits	298.63	437.32
ii) Post Employment Benefits	40.16	25.78
Total	338.79	463.10

* Included Remuneration paid to Vice Chairman-cum-Managing Director of ₹261.94 Lacs as on 31st March, 2018 and ₹ 401.74 Lacs as on 31st March, 2017

39) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Operating lease commitments – Company as lessee

The Company has taken certain land on long term lease basis. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the fair value of the asset, that it does not have all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

40) Post Retirement Benefits Plan (Ind AS 19)

Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognized funds in India.

PARTICULARS	31st March 2018 (₹ in Lacs)	31st March 2017 (₹ in Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	2,983.90	2,540.37
Interest cost	193.27	188.06
Current service cost	399.05	370.88
Past service cost-plan amendments	131.99	--
Actuarial loss/(gain) - Experience Changes	85.53	(76.66)
Actuarial loss / (gains) Financial Assumption	(291.75)	157.41
Benefits paid	(283.28)	(196.16)
Present value obligation as at the end of the year	<u>3,218.71</u>	<u>2,983.90</u>
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,341.90	2,060.71
Interest income on plan assets	151.35	162.29
Employer Contributions	51.00	290.18
Return on plan assets greater/(lesser) than discount Rates	32.37	24.88
Benefits paid	(283.28)	(196.16)
Fair value of plan assets as at the end of the year	<u>2,293.34</u>	<u>2,341.90</u>
Breakup of Actuarial gain/loss:		
Actuarial (gain)/loss on arising from change in financial assumption	(291.75)	157.41
Actuarial (gain)/loss on arising from experience adjustment	85.53	(76.66)
Return on plan assets (greater)/less than discount rate	(32.37)	(24.88)
	<u>(238.59)</u>	<u>55.87</u>
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	3,218.71	2,983.90
Fair value of plan assets as at the end of the year	2,293.34	2,341.90
Net Asset/(Liability) in Balance Sheet	<u>(925.37)</u>	<u>(642.00)</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31 st March, 2018 (₹ in Lacs)	As at 31 st March, 2017 (₹ in Lacs)
Amount recognized in the statement of profit and loss		
Current service cost	399.05	370.88
Past service cost-plan amendments	131.99	--
Interest cost	193.27	188.06
Interest Income on plan assets	(151.35)	(162.29)
(Income)/Expense recognized in the statement of profit and loss	572.96	396.65
Remeasurements recognized in the statement of Other Comprehensive Income (OCI)		
Experience Adjustments	85.53	(76.66)
Changes in Financial Assumptions	(291.75)	157.41
Return on plan assets (greater)/lesser than discount Rates	(32.37)	(24.88)
Net Loss/(Gain) recognized in other comprehensive income	(238.59)	55.87
Plan assets information		
Insurer Manage Funds	100%	100%
Actuarial assumptions		
Discount rate	7.40%	6.80%
Salary Escalation Rate	9.00%	10.00%
Employee turnover Rate	12.00%	12.00%
Mortality Rate	Indian Assured Lives Mortality (2006)-08 Ult. Modified	Indian Assured Lives Mortality (2006)-08 Ult. Modified

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are :

Impact of the change in discount rate

a) Impact due to increase of 0.50%	(86.44)	(89.55)
b) Impact due to decrease of 0.50%	95.84	95.22

Impact of change in salary Escalation Rate

a) Impact due to increase of 0.50%	92.57	84.29
b) Impact due to decrease of 0.50%	(84.47)	(81.10)

Impact of change in Employee turnover Rate

a) Impact due to increase of 0.50%	(95.57)	(144.90)
b) Impact due to decrease of 0.50%	148.48	234.96

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the reporting period.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

Expected Future cash flow

The expected future cash flow in respect of gratuity as at 31st March, 2018 were as follows

Expected contribution

The expected future employer contributions for defined benefit plan as at 31st March, 2018 (for the year ended 31st March, 2019 i.e. ₹ 977.71 Lacs)

Weighted average duration of defined plan obligation (based on discounted cash flow)

Gratuity 6 Years 6 Years

The following are the expected future benefits payments for the defined benefit plan : (₹ in Lacs)

PARTICULARS	31st March 2018	31st March 2017
Description		
March 31, 2018	--	503.83
March 31, 2019	497.23	335.14
March 31, 2020	418.05	393.59
March 31, 2021	445.23	415.37
March 31, 2022	466.05	453.44
March 31, 2023	518.36	--
March 31, 2023 to March 31, 2027	--	2,614.72
March 31, 2024 to March 31, 2028	3,075.55	--

41. Financial Value Measurement

(a) Financial Instruments by category and hierarchy

For amortised cost instruments, carrying value represents the best estimate of fair value.

(₹ in Lacs)

PARTICULARS	As At 31st March, 2018			As at 31st March, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment						
- Equity instruments	--	4,396.00	--	--	5,345.71	--
- Preference Share	--	--	115.39	--	--	103.96
Loans	--	--	1,054.38	--	--	1,042.08
Trade receivables	--	--	18,012.24	--	--	20,937.45
Cash and cash equivalents	--	--	72.16	--	--	167.75
Other Bank Balance	--	--	128.23	--	--	109.59
Loans	--	--	83.60	--	--	73.25
Other financial assets	14.55	--	2,423.08	--	--	2,587.79
Total Financial Assets	14.55	4,396.00	21,889.08	--	5,345.71	25,021.87



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	As at 31st March, 2018			As at 31st March, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings	--	--	30,296.39	--	--	33,143.56
Security deposit	--	--	388.74	--	--	343.82
Other Liabilities	--	--	317.54	--	--	209.99
Current Borrowings	--	--	57,486.20	--	--	46,942.99
Trade payable	--	--	17,436.57	--	--	9,337.30
Unpaid dividend	--	--	124.21	--	--	105.84
Due to Employees	--	--	2,369.07	--	--	2,287.38
Derivative Liability	--	--	--	33.72	--	--
Current Maturities	--	--	9,228.34	--	--	7,949.61
Total Financial Liabilities	--	--	117,647.06	33.72	--	100,320.49

(b) Fair value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian Accounting standards (Ind AS 107). An explanation of each level follows under the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements (₹ in Lacs)

PARTICULARS	As at 31st March, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments	4,391.97	--	4.03	5,341.68	--	4.03
Other Financial Assets (Derivative Asset)	14.55	--	--	--	--	--
Total	4,406.52	--	4.03	5,341.68	--	4.03
Financial liabilities						
Derivative Liability	--	--	--	33.72	--	--
Total	--	--	--	33.72	--	--

Financial assets and liabilities measured at amortised cost for which fair values are disclosed (₹ in Lacs)

PARTICULARS	As at 31st March, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Preference Share	--	--	115.39	--	--	103.96
Loans	--	--	1,054.38	--	--	1,042.08
Trade receivables	--	--	18,012.24	--	--	20,937.45
Cash and cash equivalents	--	--	72.16	--	--	167.75
Other Bank Balance	--	--	128.23	--	--	109.59
Loans	--	--	83.60	--	--	73.25
Other financial assets	--	--	2,423.08	--	--	2,587.79
Total Financial assets	--	--	21,889.08	--	--	25,021.87



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

PARTICULARS	As at 31st March, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Borrowings	--	--	30,296.39	--	--	33,143.56
Security deposit	--	--	388.74	--	--	343.82
Other Liabilities	--	--	317.54	--	--	209.99
Current Borrowings	--	--	57,486.20	--	--	46,942.99
Trade payable	--	--	17,436.57	--	--	9,337.30
Unpaid dividend	--	--	124.21	--	--	105.84
Due to Employees	--	--	2,369.07	--	--	2,287.38
Current Maturities	--	--	9,228.34	--	--	7,949.61
Total Financial Liabilities	--	--	117,647.06	--	--	100,320.49

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lacs)

PARTICULARS	As At 31 March 2018		As At 31 March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Preference Share	115.39	115.39	103.96	103.96
Loans	1,054.38	1,054.38	1,042.08	1,042.08
Total	1,169.77	1,169.77	1,146.04	1,146.04
Financial liabilities				
Borrowings	30,296.39	30,296.39	33,143.56	33,143.56
Security deposit	388.74	388.74	343.82	343.82
Total	30,685.13	30,685.13	33,487.38	33,487.38



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

The carrying amounts of trade receivables, other financial assets, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to short term nature. The fair values for loans, security deposits and investments in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowings rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

42) Financial risk management objectives and policies

The Company's financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investments, loans, trade and other receivables, cash & cash equivalents and other bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

PARTICULARS	As At 31 March 2018 (₹ in Lacs)	As At 31 March 2017 (₹ in Lacs)
Variable rate borrowings	90,739.60	82,003.11
Fixed rate borrowings	6,271.33	6,033.06
Total	97,010.93	88,036.17

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

PARTICULARS	Effect on Profit Before Tax	
	31st March 2018 (₹ in Lacs)	31st March 2017 (₹ in Lacs)
Increase by 50 basis points	(453.70)	(410.02)
Decrease by 50 basis points	453.70	410.02

b) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in foreign currency is in Trade payables denominated in foreign currency. The Company is not restricting its exposure of risk in change in exchange rates.

(i) Particulars of unhedged foreign currency exposure as the reporting date

PARTICULARS	Spot Rate			
	As At 31 March 2018	As At 31 March 2017	As At 31 March 2018 (₹ in Lacs)	As At 31 March 2017 (₹ in Lacs)
Trade Payable				
-USD 1	65.80	65.60	65.24	10.75
-EUR 1	81.26	70.36	12.02	13.35
-GBP 1	92.61	82.33	--	--
-JPY 1	00.62	00.59	00.08	00.08
-CHF 1	69.26	65.76	01.22	01.73

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

PARTICULARS	Effect on Profit Before Tax	
	As at 31 March 2018 (₹ in Lacs)	As at 31 March 2017 (₹ in Lacs)
USD Sensitivity		
Decrease by 5%	03.26	00.54
Increase by 5%	(03.26)	(00.54)
EUR Sensitivity		
Decrease by 5%	00.60	00.67
Increase by 5%	(00.60)	(00.67)
GBP Sensitivity		
Decrease by 5%	--	--
Increase by 5%	--	--
JPY Sensitivity		
Decrease by 5%	--	--
Increase by 5%	--	--
CHF Sensitivity		
Decrease by 5%	00.06	00.09
Increase by 5%	(00.06)	(00.09)



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

a) Foreign Currency Exposure (Forward Booking)

The foreign currency exposure of the Company as on reporting date is as under. The company does not use forward contracts for speculative purpose.

Category wise Quantitative Data Type Contract	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)
Forward contracts against Exports (US \$)	1,349.91	613.00
Forward contracts against imports (US \$)	1,975.89	1,021.00

(B) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk on reporting date
- (ii) Moderate credit risk
- (iii) High credit risk

Financial assets that expose the entity to credit risk:

PARTICULARS	As At 31st March, 2018 (₹ in Lacs)	As At 31st March, 2017 (₹ in Lacs)
Low credit risk on reporting date		
Investments	13,768.58	14,634.79
Loans(non-current)	1,054.38	1,042.08
Trade receivables	18,012.24	20,937.45
Cash and cash equivalents	72.16	167.75
Other bank balances	128.23	109.59
Loans(current)	83.60	73.25
Other financial asset	2,437.63	2,587.79
Total	35,556.82	39,552.70
Moderate credit risk	--	--
High credit risk	--	--

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking Credit insurance for domestic sales/letter of credit for export sales, which results in low credit risk. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

Gross carrying amount of trade receivables

PARTICULARS	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
Ageing		
Not due	16,975.03	19,788.69
0-60 days past due	673.45	559.85
61-120 days past due	148.55	228.53
121-180 days past due	20.22	153.21
181-365 days past due	90.98	93.32
More than 365 days past due	104.01	113.85

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

PARTICULARS	(₹ in Lacs)	
	As At 31st March 2018	As At 31st March 2017
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured : Cash credit facilities	5,513.80	16,057.01
(b) Expiring beyond one year (Bank loans)		
Secured : Undrawn Rupees term loan from banks	3,762.00	4,553.40
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -		(₹ in Lacs)

PARTICULARS					Total
	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	
Year ended 31 March 2018					
Contractual maturities of borrowings	66,714.54	9,563.10	13,364.34	1,125.10	90,767.08
Loans and advances from related parties (Unsecured)	--	--	6,271.33	--	6,271.33
Contractual maturities of Trade payables	17,436.57	--	--	--	17,436.57
Contractual maturities of security deposit received	--	64.18	400.00	--	464.18
Contractual maturities of other financial liabilities	2,369.07	317.54	--	--	2,686.61
Unpaid Dividend	124.21	--	--	--	124.21
TOTAL	86,644.39	9,944.82	20,035.67	1,125.10	117,749.98

PARTICULARS					Total
	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	
Year ended 31 March 2017					
Contractual maturities of borrowings	54,892.10	8,938.97	16,449.00	1,756.22	82,036.29
Loans and advances from related parties (Unsecured)	--	--	6,033.06	--	6,033.06
Contractual maturities of Trade payables	9,337.30	--	--	--	9,337.30
Contractual maturities of security deposit received	--	51.43	400.00	--	451.43
Contractual maturities of other financial liabilities	2,287.38	209.99	--	--	2,497.37
Unpaid Dividend	105.84	--	--	--	105.84
TOTAL	66,622.62	9,200.39	22,882.06	1,756.22	100,461.29



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

43. Dividend distribution made and proposed (₹ in Lacs)

PARTICULARS	31 March 2018	31 March 2017
Cash dividend on equity shares declared and paid :		
Final dividend for year ended March 31, 2017: ₹ 1 per share (March 31, 2016: ₹ 1 per share)	398.35	398.35
Dividend distribution tax on final dividend	81.09	81.09
Total	479.44	479.44

The company did not propose dividend on equity shares for the year ended 31st March, 2018

44) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

PARTICULARS	As at 31st March 2018	As at 31st March 2017
Borrowings	97,010.93	88,036.16
Trade payables	17,436.57	9,337.30
Less: Cash and cash equivalents	200.39	277.34
Net debt (A)	114,247.11	97,096.12
Equity (B)	70,482.32	69,705.16
Capital and net debt (A+B)	184,729.43	166,801.28
Gearing ratio	61.85	58.21

45. In accordance with the section 135 of the Companies Act 2013, the company is covered by the provision of the said section - (₹ in Lacs)

PARTICULARS	As at 31st March 2018	As at 31st March 2017
The amount required to be spent	73.30	54.89
The amount spent	4.78	--

The Company for its CSR obligation joined hands with other group companies and agreed to do CSR obligation through a SPV, a recognized charitable organization, M/s. Oswal Foundation. The said organization had done various activities under CSR. Last year the project of Eye care which was under consideration could not be taken up and discarded. Now the said society is considering a new healthcare project. The company would contribute its CSR obligation as and when it is finalized. In the meantime amount of CSR obligation ₹ 68.52 lacs has been set apart towards Corporate social responsibility reserve and ₹ 54.89 as CSR liability.

46. Reconciliation of changes in liabilities arising from the financing activities including both changes arising from the cash flows and non-cash changes as per the requirement of the Ind AS-7 "Statement of Cash Flows" (₹ in Lacs)

PARTICULARS	Long-term borrowing	Short-term borrowing	Total
As at 1 April, 2017	41,093.17	46,942.99	88,036.16
Cash flows:			
Proceeds from borrowings	6,321.67	10,543.21	16,864.88
Repayment of borrowings	7,896.28	--	7,896.28
Non-cash:			
Impact of amortised cost adjustment for borrowings	6.17	--	6.17
As at 31 March, 2018	39,524.73	57,486.20	97,010.93

47. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever considered necessary to make them comparable.



Consolidated Notes to Financial Statements for the year ended 31st March, 2018

48. Details of Associates

Section 129(3) of the Companies Act, 2013, requires preparation of consolidated financial Statement of the Group and all of the associate companies in the same form and manner as that of its own. Indian Accounting Standard (Ind AS) 28 on Investments in Associates and joint venture defines Associate Group as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 percent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

(a) Investments in Associates are accounted for using the equity method in Consolidated Financial Statements.

Name of Entity	% of Ownership Interest	Relationship	Accounting Method	Proportion of Ownership Interest	
				As At 31st March 2018 (₹ In Lacs)	As At 31st March 2017 (₹ In Lacs)
J.L Growth Fund Limited	41.10%	Associate	Equity Method	2,405.91	2,373.26
Vardhman Investment Limited.	47.17%	Associate	Equity Method	1,670.60	1,646.83
Attam Vallabh Financiers Limited	36.85%	Associate	Equity Method	1,202.60	1,185.54
Cotton County Retail Limited	49.99%	Associate	Equity Method	3,978.08	3,979.49
Total Equity Accounted Investment				9,257.19	9,185.12

(b) Summarised Financial information of the associates. The information disclosed reflects the amounts presented in the financial statement of the relevant associates by using Equity method.

PARTICULARS	J.L Growth Fund Limited		Vardhman Investment Limited		Attam Vallabh Financiers Limited		Cotton County Retail Limited	
	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)
Non- Current Assets	4,453.59	4,470.12	3,034.25	3,034.25	2,713.89	2,713.89	7,055.09	6,618.53
Current Assets	5.32	2.85	1.89	4.29	1.54	2.98	36.25	223.93
Cash and Cash equivalents	570.26	474.74	377.50	325.27	375.42	328.35	1,902.15	2,273.40
Other Assets								
Total Assets	5,029.17	4,947.71	3,413.64	3,363.81	3,090.85	3,045.22	8,993.49	9,115.86
Non - Current Liabilities	-	-	-	-	-	-	36.32	69.32
Current Liabilities	11.31	9.30	8.26	8.83	8.27	8.93	659.61	746.16
Total Liabilities	11.31	9.30	8.26	8.83	8.27	8.93	695.93	815.48

(c) Summarised statement of profit and loss

PARTICULARS	J.L Growth Fund Limited		Vardhman Investment Limited		Attam Vallabh Financiers Limited		Cotton County Retail Limited	
	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)	As At 31st March 2018 (₹ in Lacs)	As At 31st March 2017 (₹ in Lacs)
Revenue	68.23	115.97	31.63	31.66	27.49	27.51	4,422.06	3,684.99
Interest Income	43.63	32.36	29.73	26.90	29.75	27.22	514.31	569.49
Depreciation and Amortisation	(12.11)	(13.10)	-	-	-	-	(44.14)	(46.28)
Interest Expenses	-	-	-	-	-	-	(1.01)	(4.28)
Tax Expense	(9.80)	(8.07)	(7.25)	(7.96)	(7.27)	(8.06)	-	-
Profit/ (loss) for the period	79.45	93.89	50.40	49.58	46.29	45.64	(2.82)	(429.40)
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	79.45	93.89	50.40	49.58	46.29	45.64	(2.82)	(429.40)

**Consolidated Notes to Financial Statements for the year ended 31st March, 2018****(d) Movement of Investment using equity Method**

PARTICULARS	31st March 2018 (₹ in Lacs)	31st March 2017 (₹ in Lacs)
(a) J.L Growth Fund Limited		
Opening balance of interest in associates	2,373.26	2,334.67
Add:- Share of profit/(loss) for the period	32.65	38.59
Closing balance of interest in associates	2,405.91	2,373.26
(b) Vardhman Investment Limited		
Opening balance of interest in associates	1,646.83	1,623.45
Add:- Share of profit/(loss) for the period	23.77	23.38
Closing balance of interest in associates	1,670.60	1,646.83
(c) Atam Vallabh Financiers Limited		
Opening balance of interest in associates	1,185.54	1,168.72
Add:- Share of profit/(loss) for the period	17.06	16.82
Closing balance of interest in associates	1,202.60	1,185.54
(d) Cotton County Retail Limited		
Opening balance of interest in associates	3,979.49	4,194.15
Add:- Share of profit/(loss) for the period	(1.41)	(214.66)
Closing balance of interest in associates	3,978.08	3,979.49

**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
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-----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	31.03.2018	31.03.2018	31.03.2018	31.03.2018
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	(i) There is significant influence due to percentage (%) of Share Capital. (ii) The above statement also indicate performance and financial position of each associate companies.			
4 Reason why associate is not consolidated	Not Applicable			
5 Net Worth attributable to shareholding as per latest audited Balance Sheet (₹ in Lacs)	4,147.95	2,062.34	1,606.32	1,135.93
6 Profit/(Loss) for the year After Tax (₹ in Lacs)				
Considered in consolidation	(1.41)	32.65	23.77	17.06
Not considered in consolidation				

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00499670)

Kamal Oswal
Vice Chairman-cum-
Managing Director
(DIN : 00493213)

Place : Ludhiana

Dated :30th May, 2018

**NAHAR INDUSTRIAL ENTERPRISES LIMITED**

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

BALLOT FORM

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

I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 34th Annual General Meeting of the Company to be held on Friday, the 28th day of September, 2018 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: (a) the Audited Financial Statements of the Company for the financial year ended on 31 st March, 2018 and Reports of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31 st March, 2018 and Report of the Auditors thereon.			
2.	To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
3.	To appoint a director in place of Sh. Navdeep Sharma (DIN: 00454285), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
4.	To approve the remuneration of cost auditor for the financial year 2018-19			
5.	To re-appoint Dr. Vijay Asdhir (DIN: 06671174) as an Independent Director of the Company			
6.	To approve continuation of holding of office as Non-Executive Director by Sh. Jawahar Lal Oswal (DIN: 00463866), upon attaining the age of 75 years			
7.	To approve continuation of holding of office as Independent Director by Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576), who has attained the age of 75 years			
8.	To approve continuation of holding of office as Independent Director by Sh. Ajit Singh Chatha (DIN: 02289613), who has attained the age of 75 years			

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 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 (Membership 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 21st September, 2018 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 27th September, 2018 (5.00 P.M.). Ballot Form received after 27th September, 2018 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 favor 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 28th September, 2018, and communicated to the BSE Ltd. 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 34th Annual General Meeting of the Company being held on Friday, the 28th day of September, 2018 at 10.00 a.m. at the Registered Office of the Company at Focal Point, Ludhiana – 141010, Punjab.

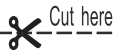
Name of the Shareholder(s) 1. _____ 2. _____ 3. _____

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:

1. Name Address

Email Id Signatures or failing him

2. Name Address

Email Id Signatures or failing him

3. Name Address

Email Id Signatures

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 34th Annual General Meeting of the company, to be held on Friday, the 28th day of September, 2018 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:

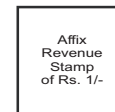


Item No.	Resolution	Optional*	
		(For)	(Against)
1.	To receive, consider and adopt: (a) the Audited Financial Statements of the Company for the financial year ended on 31 st March, 2018 and Reports of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31 st March, 2018 and Report of the Auditors thereon.		
2.	To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
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4.	To approve the remuneration of cost auditor for the financial year 2018-19.		
5.	To re-appoint Dr. Vijay Asdhir (DIN: 06671174) as an Independent Director of the Company		
6.	To approve continuation of holding of office as Non-Executive Director by Sh. Jawahar Lal Oswal (DIN: 00463866), upon attaining the age of 75 years		
7.	To approve continuation of holding of office as Independent Director by Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576), who has attained the age of 75 years		
8.	To approve continuation of holding of office as Independent Director by Sh. Ajit Singh Chatha (DIN: 02289613), who has attained the age of 75 years		

Signed this..... day of 2018

Signature of shareholder:

Signature of Proxy holder(s):

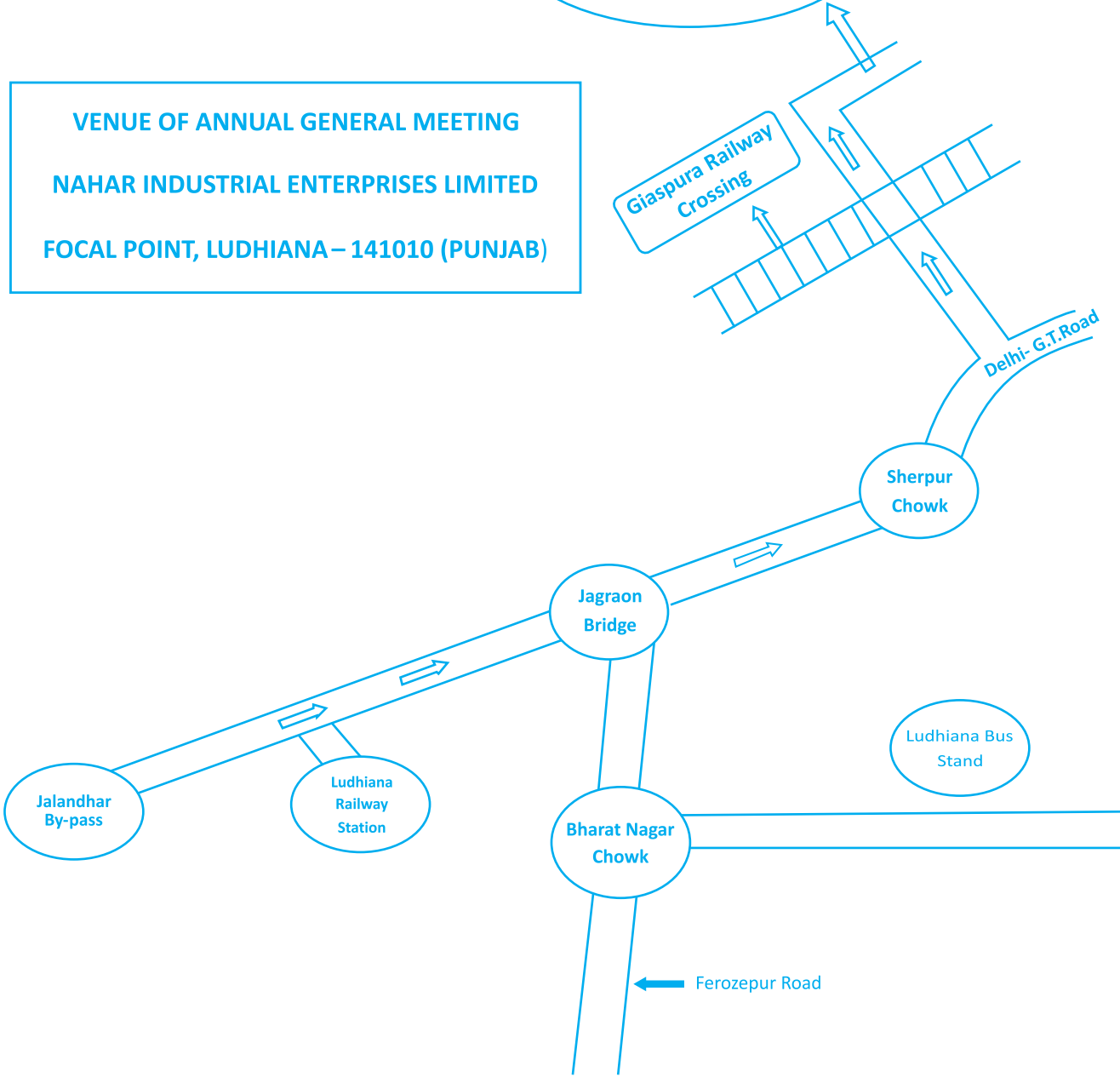


Note:

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 34th 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)

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NAHAR INDUSTRIAL ENTERPRISES LIMITED
Regd. Office : Focal Point,
Ludhiana - 141 010.

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