



The Nahar Group

41st ANNUAL REPORT 2020-21



Nahar SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal
Sh. Kamal Oswal
Sh. Dinesh Gogna
Sh. Satish Kumar Sharma
Dr. Suresh Kumar Singla
Dr. Amrik Singh Sohi
Dr. Manisha Gupta
Dr. Vijay Asdhir
Dr. Roshan Lal Behl

Chairman

Managing Director
Director
Director
Director
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

Sh. Anil Garg

G.M. (FINANCE)

Sh. P. K. Vashishth

COMPANY SECRETARY

Sh. Brij Sharma

AUDITORS

M/s. YAPL & Co., Chartered Accountants
102, Kismat Complex, G.T. Road, Miller Ganj, Ludhiana-141 003.

PRINCIPAL BANKERS :

Punjab National Bank, State Bank of India

REGD. OFFICE

: 373, Industrial Area- 'A', Ludhiana-141 003

WORKS

: 427, Industrial Area - 'A', Ludhiana (Punjab)
Dhandari Kalan, G.T. Road, Ludhiana (Punjab)
Village Simrai, Mandideep, Distt. Raisen (M.P.)
Village Lalru and Lehli, Distt. S.A.S. Nagar (Punjab)
Village Jalalpur, Distt. S.A.S. Nagar (Punjab)
Rishab Spinning Mills, Village Jodhan, Distt. Ludhiana
Nahar Fibres, Jitwal Kalan, Malerkotla, Distt. Sangrur

41st ANNUAL GENERAL MEETING

Day : Wednesday
Date : 29th September, 2021
Time : 10.00 A.M.
Mode : Video Conference (VC) or other
Audio Visual Means (OAVM)

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE **41ST ANNUAL GENERAL MEETING (AGM)** of the members of **NAHAR SPINNING MILLS LIMITED ('the Company')** will be held on **Wednesday, the 29th day of September, 2021 at 10.00 A.M** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the businesses as mentioned below. The venue of the meeting shall be deemed to be Registered Office of the Company at 373, Industrial Area 'A', Ludhiana, Punjab – 141003.

ORDINARY BUSINESS:**ITEM NO.1-ADOPTION OF FINANCIAL STATEMENTS**

To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO: 2 - DECLARATION OF DIVIDEND

To declare dividend of Rs. 1.50 per equity share of Rs. 5/- each for the year ended 31st March, 2021.

ITEM NO: 3- APPOINTMENT OF MR. DINESH GOGNA AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Dinesh Gogna (DIN: 00498670), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

ITEM NO: 4 - APPOINTMENT OF MR. KAMAL OSWAL AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Kamal Oswal (DIN: 00493213), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**ITEM NO: 5 - REAPPOINTMENT OF MR. DINESH OSWAL AS MANAGING DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and rules framed thereunder and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) & Articles of Association and based on the recommendation of Nomination and Remuneration

committee and approval of the Board of Directors, consent and approval of the Members be and is hereby accorded for the re-appointment of Mr. Dinesh Oswal (DIN : 00607290) as Managing Director of the Company, for a period of five years w.e.f. 1st January, 2022 to 31st December, 2026 on the terms and conditions including the payment of remuneration and perquisites as set out below:

Salary (Scale) : Rs.70,00,000.00-5,00,000.00-90,00,000.00/- per month.

Commission : 2% of the Net Profit.

Perquisites : Following perquisites shall be allowed in addition to salary and commission.

i) Housing

Mr. Dinesh Oswal shall be entitled to House Rent Allowance @50% of the salary.

EXPLANATION

i) The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962. This shall however be subject to a ceiling of 10% of the salary of Mr. Dinesh Oswal.

ii) **Medical Reimbursement:** Reimbursement of expenses incurred including Insurance premium paid for the medical policy for self and family subject to a ceiling of one month's salary in a year or Five months' salary over a period of Five years.

iii) **Leave Travel Concession:** Leave travel concession for a self and family twice in a year incurred by him.

iv) **Club Fees:** Fees of the club subject to a maximum of five clubs including admission fees and life membership fee.

v) **Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 20000/-.

vi) **Provident Fund and superannuation fund:** Contribution to Provident Fund, Superannuation Fund or Annuity fund in accordance with the rules specified by the Company.

vii) **Gratuity:** Gratuity paid shall not exceed half month's salary for each completed year of service subject to maximum limit as per Payment of Gratuity act 1972.

viii) **Leave Encashment:** Encashment of the leave at the end of the tenure, as per rules of the Company.

ix) **Car and Telephone:** Free use of Company's car with Driver for official work, mobile expenses and telephone at residence.

NOTE: For the purpose of perquisites stated herein above, family means the spouse, the dependent



children, dependent parents of the appointee."

"RESOLVED FURTHER THAT The Board of Director of the company, subject to the recommendation of Nomination and Remuneration committee, be and are hereby authorised to alter and vary the terms and conditions of appointment and /or remuneration of Mr. Dinesh Oswal, as the Board of Directors may deem appropriate during his tenure as Managing Director of the Company, provided such revision in remuneration does not exceed limits approved by the members under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force)."

"RESOLVED FURTHER THAT wherein any financial year, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of salary, commission and perquisites as above to Mr. Dinesh Oswal, as Minimum Remuneration for a period not exceeding 3 (three) years or such other period as may be permitted subject to the requisite approvals, if any."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

ITEM NO: 6 - RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Cost Auditors M/s. Ramanath Iyer & Co. (Firm Registration No. 000019) appointed by the Board to conduct the audit of the Cost Records of the Company for the financial year 2021-22 at a remuneration of Rs. 1.75 Lakhs (Rupees One Lakh Seventy Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses incurred, be and is hereby ratified."

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

ITEM NO. 7 – TO APPROVE INCREASE IN REMUNERATION OF MS. TANVI OSWAL

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time), and on the recommendation of Nomination and Remuneration committee and as approved by the Board of Directors, consent and approval of the members of the Company, be and is hereby accorded for the increase/revision in remuneration of Ms. Tanvi Oswal, Vice President of the Company w.e.f. 1st October, 2021, as set out below:

- 1. Salary (Pay Scale):**
Rs. 5, 00,000- 1, 00,000-10, 00,000 per month.
- 2. Housing:** HRA @ 30% per month of the Basic Salary.
- 3. Telephone:** Mobile/Telephone facility as per the Company's rules.
- 4. Leave Encashment:** Leave encashment as per the Company's rules.
- 5. Club Fees:** Fees of club subject to a maximum of two clubs including Admission Fees and Life Membership Fees.
- 6. Provident Fund:** Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- 7. Gratuity:** Gratuity paid shall not exceed half month's salary for each completed year of service subject to maximum limit as per Payment of Gratuity act 1972.
- 8. Reimbursement:** Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company's business."
- 9. Medical Reimbursement:** Reimbursement of expenses incurred including Insurance premium paid for the medical policy for self subject to a ceiling of one month's salary in a year.

"RESOLVED FURTHER THAT Board of Directors including the Nomination and Remuneration Committee be and are hereby authorized to give yearly increment in the remuneration within the above pay scale to Ms. Tanvi Oswal from time to time in accordance with the Company's policy."

"RESOLVED FURTHER THAT Board of Directors including the Nomination and Remuneration Committee, be and are hereby authorized to do all such acts, deeds and things, as may be deemed necessary, proper or expedient to give effect to the above resolution."

**ITEM NO. 8 – TO APPROVE THE PAYMENT TO MR. JAWAHAR LAL OSWAL, NON-EXECUTIVE DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent and approval of the members of the Company, be and is hereby accorded for the payment @0.35% of Export Sales of the Company, to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company (DIN: 00463866) w.e.f. 1st October, 2021 for a period of three years, in addition to sitting fees for attending the meetings of the Board of Directors as approved by the Board of Directors for Non-Executive Directors of the Company.”

“RESOLVED FURTHER THAT the above amount will be paid to Mr. Jawahar Lal Oswal even if it exceeds one percent of the net profits of the Company in accordance with Section 197 and 198 of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof.”

“RESOLVED FURTHER THAT wherein any financial year, the Company has no profits or its profits are inadequate, the Company may pay Mr. Jawahar Lal Oswal, the said amount as Minimum Remuneration for a period not exceeding 3 (three) years or such other period as may be statutorily permitted subject to the requisite approvals, if any.”

“RESOLVED FURTHER THAT pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent and approval of the members of the Company, be and is hereby accorded for above payment to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company, in the eventuality of it exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors, for the financial year 2021-22.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and are hereby authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to

the above resolution.”

ITEM NO. 9 – TO APPROVE CONTINUATION OF HOLDING OF OFFICE AS INDEPENDENT DIRECTOR BY DR. VIJAY ASDHIR (DIN: 06671174), ON ATTAINING THE AGE OF 75 YEARS

To consider and if thought fit, to pass with or without modification, 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 thereunder (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. Vijay Asdhir (DIN: 06671174), who will attain the age of 75 years on 27th July, 2022, upto the expiry of his present term of office up to September 25, 2022.”

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

ITEM NO. 10 – TO APPROVE CONTINUATION OF HOLDING OF OFFICE AS INDEPENDENT DIRECTOR BY DR. AMRIK SINGH SOHI (DIN: 03575022), ON ATTAINING THE AGE OF 75 YEARS

To consider and if thought fit, to pass with or without modification, 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 thereunder (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. Amrik Singh Sohi (DIN: 03575022), who will attain the age of 75 years on 1st August, 2022, upto the expiry of his present term of office up to September 25, 2022.”

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

BY ORDER OF THE BOARD

DATE: 2ND AUGUST, 2021

**BRIJ SHARMA
(COMPANY SECRETARY)**

**REGISTERED OFFICE:**

**373, Industrial Area-A,
Ludhiana -141003(India)
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnaahar.com**

NOTES:

1. In view of the situation arising due to COVID-19 global pandemic, social distancing is a norm to be followed. Accordingly, the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 Dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of members at a common venue. Thus, in compliance with the said Circulars, the 41st Annual General Meeting (AGM) of the Company will be held through video conferencing (VC) or other audio visual means (OAVM). Members can attend and participate in the AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 25.
2. The venue of the Meeting shall be deemed to be the registered office of the Company.
3. The Explanatory 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 form part of this Notice.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, 2013, body corporates are entitled to appoint Authorised Representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, the Notice calling the AGM alongwith Annual Report for the year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at www.owmnaahar.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The Register of Members and Share Transfer Register of the Company shall remain closed from 18th September, 2021 to 21st September, 2021 (both days inclusive) for the purpose of equity dividend for the year ended 31st March, 2021.
8. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members subject to deduction of tax at source, whose names shall appear in Register of Members as on 17th September, 2021 or Register of Beneficial Owners, maintained by the Depositories at the close of 17th September, 2021.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Dinesh Gogna and Mr. Kamal Oswal Directors, retire by rotation at this Meeting and offered themselves for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommend their respective reappointments.
11. The relevant information under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, regarding



the Directors who are proposed to be appointed/re-appointed, is given hereto and form part of the Notice.

12. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividend upto the financial year 2012-13 has been transferred to Investor Education and Protection Fund. Further, unpaid dividend for the year 2013-14 is to be transferred to Investor Education and Protection Fund in November, 2021. Shareholders who have not encashed their dividend warrants relating to said period are requested to claim the amount from the Company at the earliest.
13. Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the shares in respect of which dividend remained unclaimed or unpaid for a period of seven consecutive years or more to the demat account of IEPF Authority as per applicable Rules. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <http://www.owmnahtar.com/spinning/transfer-of-equity-shares-to-IEPF.php>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
14. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPF/refund.html> or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority.
15. As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities.

In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent: M/s. Alankit Assignments Limited for assistance in this regard.
16. The Company provides the facility of paying dividend through Electronics Clearing System (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details alongwith 9 digit MICR code of their Bank is updated in the records of the Depository Participant (DP). Members, who hold the shares in physical form, should contact the Registrar & Transfer Agent or the Company in this regard. In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details to their DP in case of electronic holding and to the Registrar & Transfer Agent or the Company in case of physical holding.
17. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent: M/s. Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
19. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
20. The Securities Exchange and Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) and Bank Details by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are requested to submit their self attested copy of PAN card bank details alongwith Original cancelled cheque leaf/attested bank passbook showing name of Account holder and address, to the company at its Registered Office at 373, Industrial Area- A, Ludhiana- 141003 or to the Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited, Unit: Nahar Spinning Mills Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055.
21. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection in electronic mode during the AGM. All other documents referred to in the Notice will be available for inspection in electronic mode without



any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. September 29, 2021. Members seeking to inspect such documents can send an email to secnsm@owmnahar.com.

22. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

23. The members who have voted through remote e-voting will be eligible to attend the AGM but they will not be eligible to vote at the AGM.

24. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- i. **For Physical Shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secnsm@owmnahar.com or rta@alankit.com.
- ii. **For Demat shareholders** - please update your email id & mobile no. with your respective Depository Participant (DP).
- iii. **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

25. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM MODE ARE AS UNDER:

- (i) The voting period begins on 26th September, 2021 (9:00 a.m.) and ends on 28th September,

2021 (5:00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:



Type of Shareholders	Login Method		
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the E voting menu, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provider i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/Easi Registration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. 		<p>Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e- 	Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL



Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method of e-Voting and joining virtual AGM for **shareholders other than individual shareholders holding in demat form & physical shareholders.**
- a. The shareholders should log on to the e-voting website www.evotingindia.com.
 - b. Click on "Shareholders" module.
 - c. Now Enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/ Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for NAHAR SPINNING MILLS LIMITED i.e. 210826031 to vote.**
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Facility for Non-Individual Shareholders and Custodian remote e-voting**
- 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 in the "Corporates" module.
 - 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 linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at bathla7@gmail.com and to the Company at secnsm@owmnahar.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date 22nd September, 2021 may follow the same instructions as mentioned above for e-Voting.

(xxi) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you may write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

(xxii) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:

Mr. Brij Sharma,
Company Secretary and Compliance Officer
373, Industrial Area-A,
Ludhiana -141003(India)
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnahar.com

26. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AREAS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secnsm@owmnahar.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secnsm@owmnahar.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred



from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Other instructions:

27. Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cutoff date.
28. The Company has appointed Mr. P.S. Bathla, Practising Company Secretary (Membership No. FCS 4391), to act as the Scrutinizer to the e-voting process i.e. votes casted during the AGM and votes casted through remote e-voting, in a fair and transparent manner.
29. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM.
30. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.owmnahar.com and on the website of CDSL i.e. www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
31. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 41st Annual General Meeting i.e. 29th September, 2021.
32. A person, who is not a Member as on the cutoff date i.e. 22nd September, 2021 should treat this Notice for information purposes only.

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

The following statement sets out all material facts relating to the Special Business mentioned under Item No. 5 to Item No. 10 of the accompanying Notice:

ITEM NO. 5

Mr. Dinesh Oswal was appointed as Managing Director of the Company w.e.f 1st January, 2017 for a period of 5 Years. His period of office shall expire on 31st December, 2021. Mr. Dinesh Oswal is 56 years of age. He is a Commerce graduate and has more than 36 years

business experience in Textile Industry and financial expertise and has been involved in the Operations of the Company since 1985. During his leadership, the Company has become one of the leading Integrated Textile Company. The Company has been awarded several Export Trophies by TEXPROCIL for Company's excellent export performance in Cotton / Processed Yarns. It would be in the interest of the company if he is reappointed as Managing Director of the Company under the category of the Key Managerial Personnel.

The Board, keeping in view the overall growth of the Company under his able and dynamic leadership and on the recommendation of Nomination and Remuneration Committee (subject to the approval of the shareholders) has decided to reappoint him as Managing Director for a further period of 5 years commencing from 1st January, 2022. Mr. Dinesh Oswal is eligible for re-appointment as Managing Director and his remuneration and perquisites as set out in the resolution are in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

Wherein any financial year during his tenure as Managing Director, the Company has no profits or its profits are inadequate, the Company may pay the remuneration as set out in the resolution to Mr. Dinesh Oswal, as the minimum remuneration for a period not exceeding 3 (three) years or such other period as may be permitted subject to the requisite approvals, if any.

Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Dinesh Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:**Directorship of Board:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Capital and Financial Services Limited	Managing Director
2	Nahar Poly Films Limited	Director
3	Nahar Industrial Enterprises Limited	Director

Chairmanship of Board Committees:

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Capital and Financial Services Limited	CSR Committee Share Transfer Committee
2	Nahar Poly Films Limited	CSR Committee Share Transfer Committee

Membership of Board Committees: Nil

Shareholding in the Company: He holds 123766 Equity Shares of Rs.5/- each

Disclosure of relationship between Directors inter-



se: Mr. Dinesh Oswal is related to Mr. Jawahar Lal Oswal (Chairman) and Mr. Kamal Oswal (Director). None of the other Directors are in any way related to Mr. Dinesh Oswal.

Mr. Dinesh Oswal may be deemed to be concerned or interested in the resolution. Further Mr. Jawahar Lal Oswal (Chairman), Mr. Kamal Oswal (Director), Mrs. Ritu Oswal and Ms. Tanvi Oswal being relatives of Mr. Dinesh Oswal may be deemed to be concerned or interested in the said resolution. None of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Resolution as given in the notice may also be treated as an abstract of terms of Contract of Appointment under the provisions of Section 190 of the Companies Act, 2013. The terms and conditions of appointment as set out in the draft agreement to be entered into between the Company and Mr. Dinesh Oswal is available for inspection at the Registered Office of the Company.

The Board recommends the special resolution set out at Item no. 5 of the accompanying Notice for your approval.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

(1) Nature of Industry

The Company is mainly engaged in the manufacturing of Yarn and Garments under the main head Textile Industry.

(2) Date or expected date of commencement of commercial production

The Company was incorporated on 16th December, 1980 and is working since then.

(3) In case of new companies expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus.

Not Applicable, as the company is an existing Company operating its Spinning/Garment Plants successfully.

(4) Financial performance based on the given indicators

(Rs. In lakhs)

	FY 2020-21	FY 2019-20
Gross Revenue	211883.24	208998.14
Profit before Tax	5353.49	-7805.96
Net Profit for the period	4141.49	-5305.96

(5) Foreign investments or Collaborators, if any

The Company has not entered into any foreign

collaboration and no foreign direct capital investment has been made in the Company.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details

Mr. Dinesh Oswal is 56 years of age. He is commerce graduate and has more than 36 years of business experience in textile industry and financial matters. He is also a Managing Director of M/s. Nahar Capital and Financial Services Ltd.

(2) Past Remuneration (last two years)

(Amount in Rs.)

Particulars	Financial year (2020-21)	Financial Year (2019-20)
Salary	88,184,517.00	78,646,500.00
Perquisite and Allowances	6108433.00	39600.00
Commission/bonus	-----	-----
Retirement Benefits	-----	-----
Total	94,292,950.00	78,686,100.00

Note: Mr. Dinesh Oswal was paid remuneration during the year 2020-21 and 2019-20 as approved by the Shareholders vide their Special Resolution dated 30th September, 2019.

(3) Recognition or Awards

Under the able & dynamic leadership of Sh. Dinesh Oswal, Managing Director, Company has been awarded several export Awards and trophies by the TEXPROCIL and Apparel Export Promotion Council and the Government of India. The latest award is Gold Trophy for the year 2019-20 by TEXPROCIL, which has been awarded to the Company for achieving Highest Export performance in Cotton Yarn and Processed Yarns.

(4) Job profile and his suitability

Mr. Dinesh Oswal was reappointed as Managing Director of the company by the members for a period of five years w.e.f. 1st January, 2017, vide their resolution dated 30th September, 2016. He is overall responsible for operations of the Company under the supervision of the Board of Directors. He is having more than 36 years of experience in Textile Industry. Mr. Dinesh Oswal joined the Company as Director, in the year 1985. Under his able and dynamic leadership of 36 years, Company has become one of the largest integrated Spinning Mills of the Country. The Company's Operating income which was 153 million in the year 1985 has risen to Rs. 21188 Million in the year 2021. He has played a pivotal role in charting the Company's strategy for expanding its operations in the Global as well as Domestic Markets. Having regard to his textile knowledge, Business experience and leadership to the executive team, he is the best suited person for the responsibilities entrusted to him by the Board of Directors.

**(5) Remuneration Proposed**

The remuneration proposed has already been given in the Special Resolution at Item No. 5 of the accompanying Notice of Annual General Meeting. However in case of inadequacy of profits, the said remuneration will be paid as minimum remuneration.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Considering the size of the Company, the profile of Mr. Dinesh Oswal, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him commensurate with the remuneration packages paid to persons appointed at similar level in other companies.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. Dinesh Oswal belongs to promoter category. He is a relative to Mr. J.L. Oswal, Chairman and Mr. Kamal Oswal, Directors of the Company. Besides the remuneration proposed, Mr. Dinesh Oswal, does not have any other pecuniary relationship with the Company or with the Managerial Personnel.

III. OTHER INFORMATION:**• Reasons for loss or inadequate profits**

The Company has earned a Net Profit of Rs. 4141.49 Lakhs for the year ended 31st March, 2021. However, disrupted economic and financial activities due to the COVID-19 pandemic, the Company's profitability might get affected in the coming periods.

• Steps taken or proposed to be taken for improvement

All the countries over the world are taking necessary steps to control and eradicate the Covid-19. In order to mitigate the impact of COVID-19, the Reserve Bank of India and the Government of India are taking several measures for putting the economy of the country on the path of recovery as well as growth. Moreover, with the improvement in the Covid-19 situation and opening of Global economies, Textile Scenario is changing and the demand for Company's products is likely to pick up.

• Expected increase in the productivity and profits in the measurable terms.

Currently, it is not feasible to predict with accuracy the expected increase in the productivity and profits in the measurable term. However with the improvement in the economic activity at the Global and Domestic markets, your Management expects that the productivity and profits will improve in coming period. With the improvement in business cycle, the textile industry is expected to perform reasonably well in the coming period.

IV. DISCLOSURES:

The Company has provided all the disclosures in Corporate Governance Report as required under Section II of Part II of Schedule V of the Companies Act, 2013.

ITEM NO. 6

As per the provisions of Companies (Cost Records and Audit) Rules, 2014 (as amended), Company's activities fall within the purview of Cost Audit requirement. Accordingly, the Board at its meeting held on August 2, 2021, on the recommendation of Audit Committee, approved the appointment of M/s Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) at a remuneration of Rs. 1.75 /- Lakhs (Rupees One Lakh Seventy Five Thousand only) plus applicable taxes and Reimbursement of Out of pocket expenses incurred for conducting the Cost Audit of the Cost records of the Company for the financial year 2021-22.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the shareholders of the Company.

Accordingly, consent and approval of the shareholders is being sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for financial year 2021-22.

None of the Directors of the Company, the Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested financial or otherwise in the aforesaid resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the accompanying Notice for your approval.

ITEM NO. 7

Ms. Tanvi Oswal joined the Company as Deputy Executive w.e.f. 1st November, 2018. She is daughter of Mr. Dinesh Oswal, Managing Director of the Company & thus a relative under Section 2(77) of the Companies Act, 2013. She has done her graduation in Bachelor of Science with honours in Management from University of Nottingham (U.K.).

Seeing her performance, the Board on the recommendation of Nomination and Remuneration Committee promoted her as Manager of the Company w.e.f. 1st December, 2019 and her salary was fixed at a basic Pay of Rs. 1,40,000/- plus perks and benefits as per Company's Rules.

Having regard to her leadership qualities, performance, responsibilities shouldered and as well as prevalent



industry benchmarks, the Nomination and Remuneration Committee recommended her for promotion as Vice President & increased her monthly salary in a pay scale of Rs. 5,00,000 -1,00,000 -10,00,000 plus perks and benefits as per Company's Rules/Policy, w.e.f. 1st October, 2021, as mentioned in the resolution set out at item no. 7 of the accompanying Notice.

The Audit Committee and the Board in its meeting held on 2nd August, 2021 has also approved the said proposal (subject to approval of the Shareholders) under the provisions of section 188(1)(f) of the Companies Act, 2013.

The approval of shareholder is being sought as the proposed salary of Ms. Tanvi Oswal, holding place of profit, will stand increased to more than two and a half lakh rupees per month, the limit as specified in Section 188(1)(f) of the Companies Act, 2013.

Mr. Dinesh Oswal (Managing Director), Mr. Jawahar Lal Oswal (Chairman) and Mr. Kamal Oswal (Director), Mrs. Ritu Oswal (Export Advisor) being relatives of Ms. Tanvi 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 Ordinary Resolution set out at Item No. 7 of the accompanying Notice for your approval.

ITEM NO. 8

Mr. Jawahar Lal Oswal has been associated with the company as Director/Chairman since 1992. Since then, the Company has been utilizing his textiles knowledge, business experience and leadership without any consideration. Now, having regard to his contribution to the growth of the company especially on export front, the Nomination and Remuneration Committee / Board has decided, subject to the approval of Members at the ensuing Annual General Meeting, to give due recognition to his advice which is of professional nature, by paying him the amount @0.35 per cent of export sales for a period of 3 years w.e.f. 1st October, 2021. In addition to the said payment, Mr. Jawahar Lal Oswal shall continue to be entitled to payment of sitting fees for attending the meetings of the Board of Directors, as approved by the Board of Directors for Non-Executive Directors of the Company.

The above payment will be paid to Mr. Jawahar Lal Oswal even if it exceeds one percent of the Net Profits of the Company in accordance with Section 197 and 198 of the Companies Act, 2013.

Wherein any financial year during his directorship, the Company has no profits or its profits are inadequate, the Company may pay the above payment to Mr. Jawahar

Lal Oswal, as the minimum amount for a period not exceeding 3 (three) years as may be permitted subject to the requisite approvals, if any.

Further, pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company, is also being sought for above payment to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company, in the eventuality of it exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors, for the financial year 2021-22.

Listed Companies (other than Nahar Spinning Mills Limited) in which Sh. Jawahar Lal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:

Directorship of Board:

Sr.No.	NAME OF THE COMPANY	STATUS
1	Nahar Capital and Financial Services Limited	Director/Chairman
2	Nahar Poly Films Limited	Director/Chairman
3	Nahar Industrial Enterprises Limited	Director/Chairman
4	Monte Carlo Fashions Limited	Chairman/ Managing Director

Chairmanship of Board Committees: Nil

Membership of Board Committees: Nil

Shareholding in the Company: He holds 90374 Equity Shares of Rs.5/- each

Disclosure of relationship between Directors inter-se: Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal and Mr. Dinesh Oswal. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers.

Mr. Jawahar Lal Oswal may be deemed to be concerned or interested in the aforesaid resolution. Mr. Dinesh Oswal (Managing Director), Mr. Kamal Oswal (Director), Mrs. Ritu Oswal and Ms. Tanvi Oswal being relatives of Mr. Jawahar Lal Oswal may also 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 Special Resolution set out at Item No. 8 of the accompanying Notice for your approval.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

(1) Nature of Industry

The Company is mainly engaged in the manufacturing of Yarn and Garments under the main head Textile Industry.



(2) Date or expected date of commencement of commercial production

The Company was incorporated on 16th December, 1980 and is working since then.

(3) In case of new companies expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus.

Not Applicable, as the company is an existing Company operating its Spinning/Garment Plants successfully.

(4) Financial performance based on the given indicators

(Rs. In lakhs)

	FY 2020-21	FY 2019-20
Gross Revenue	211883.24	208998.14
Profit before Tax	5353.49	-7805.96
Net Profit for the period	4141.49	-5305.96

(5) Foreign investments or Collaborators, if any

The Company has not entered into any foreign collaboration and no foreign direct capital investment has been made in the Company.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details

Mr. Jawahar Lal Oswal is 76 years of age and holds a Bachelor's Degree in Commerce. He has more than 54 years of rich experience in the textile and woollen industry. Presently, he is serving as Chairman & Managing Director of M/s. Monte Carlo Fashions Ltd. and M/s. Oswal Woollen Mills Limited and also holds the position of Chairman on the Board of various other Group Companies.

(2) Past Remuneration (last two years)

(Amount in Rs.)

Particulars	Financial year (2020-21)	Financial Year (2019-20)
Salary	-----	-----
Perquisite and Allowances	-----	-----
Commission/bonus	-----	-----
Retirement Benefits	-----	-----
Sitting Fees	30,000.00	40,000.00
Total	30,000.00	40,000.00

(3) Recognition or Awards

Under the dynamic leadership of Mr. Jawahar Lal Oswal, the Company has been awarded several export Awards and trophies by the TEXPROCIL and Apparel Export Promotion Council and the Government of India. The latest awards are Gold Trophies by TEXPROCIL for the year 2019-20 for

achieving Highest Export performance in Cotton Yarn & Processed Yarns by TEXPROCIL.

(4) Job profile and his suitability

Mr. Jawahar Lal Oswal is a Non-Executive Director/Chairman of the Company. His association started with the Company as Director of the Company in the year 1992. He was appointed as a Chairman by the Board and is continuing as a Non-Executive Chairman as on date. As a Non-Executive Chairman, Mr. Jawahar Lal Oswal has been serving as mentor for the Board, Managing Director and Senior Management especially in devising export sales and promotion strategies. He provides feedback and counsel to the Managing Director and Senior Management on key issues. He has played a pivotal role in charting the Company's strategy for expanding its operations in the Global Markets. Having regard to his textile knowledge and business experience, he is the best suited person for the job.

(5) Payment Proposed

The amount proposed has already been given in the Special Resolution at Item No. 8 of the accompanying Notice of Annual General Meeting. However in case of inadequacy of profits, the said amount will be paid as minimum amount.

(6) Comparative payment profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Considering the size of the Company, the profile of Mr. Jawahar Lal Oswal and the industry benchmarks, the payment proposed to be paid to him commensurate with the payment being made to persons at similar level in other companies.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. Jawahar Lal Oswal belongs to promoter category. He is also a relative to Mr. Dinesh Oswal, Managing Director and Mr. Kamal Oswal, Directors of the Company. Besides the payment proposed and sitting fees for attending Board Meeting, Mr. Jawahar Lal Oswal, does not have any other pecuniary relationship with the Company or with the Managerial Personnel.

III. OTHER INFORMATION:

• **Reasons for loss or inadequate profits**

The Company has earned a Net Profit of Rs. 4141.49 Lakhs for the year ended 31st March, 2021. However, disrupted economic and financial activities due to the COVID-19 pandemic, the Company's profitability might get



affected in the coming periods.

- **Steps taken or proposed to be taken for improvement**

All the countries over the world are taking necessary steps to control and eradicate the Covid-19. In order to mitigate the impact of COVID-19, the Reserve Bank of India and the Government of India are taking several measures for putting the economy of the country on the path of recovery as well as growth. Moreover, with the improvement in the Covid-19 situation and opening of Global economies, Textile Scenario is changing and the demand for Company's products is likely to pick up.

- **Expected increase in the productivity and profits in the measurable terms.**

Currently, it is not feasible to predict with accuracy the expected increase in the productivity and profits in the measurable term. However with the improvement in the economic activity at the Global and Domestic level, your Management expects that the productivity and profits will improve in coming period. With the improvement in business cycle, the textile industry is expected to perform reasonably well in the coming period.

IV. DISCLOSURES:

The Company has provided all the disclosures in Corporate Governance Report as required under Section II of Part II of Schedule V of the Companies Act, 2013.

ITEM NO. 9

Dr. Vijay Asdhir was appointed as an Independent Director of the Company on 26.09.2017 to hold office for five consecutive years for a term up to September 25, 2022 under the applicable provisions of the Companies Act, 2013.

The provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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. Vijay Asdhir is 74 years of age and M.Com, P.h.D. & having more than 38 years' experience in Teaching and Administration. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana and as a Director from the Khalsa Institute of Management, Ludhiana. He is independent of the management and possesses appropriate skills, experience and knowledge.

Having regard to his vast expertise and knowledge, 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. 9 of the Notice, for continuation of holding of existing office by Dr. Vijay Asdhir as Independent Director of the Company even on attaining the age of 75 years, upto the expiry of his present term of office i.e. September 25, 2022, 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.

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 given hereunder:

Listed Companies (other than Nahar Spinning Mills Limited) in which Dr. Vijay Asdhir holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:

Directorship of Board:

Sr.No.	NAME OF THE COMPANY	STATUS
1	Nahar Capital and Financial Services Limited	Independent Director
2	Nahar Poly Films Limited	Independent Director
3	Nahar Industrial Enterprises Limited	Independent Director

Chairmanship of Board Committees:

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Capital and Financial Services Limited	Audit Committee
2	Nahar Industrial Enterprises Limited	Audit, Nomination and Remuneration Committee

Membership of Board Committees:

Sr. No.	NAME OF THE COMPANY	COMMITTEE
1	Nahar Industrial Enterprises Limited	Stakeholder Relationship Committee



Shareholding in the Company: Nil

Disclosure of relationship between Directors inter-se: Nil

The Board recommends the Special Resolution set out at Item No. 9 of the accompanying Notice for your approval.

ITEM NO. 10

Dr. Amrik Singh Sohi was re-appointed as an Independent Director of the Company on 26.09.2017 to hold office for five consecutive years for a second term up to September 25, 2022 under the applicable provisions of the Companies Act, 2013.

The provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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. Amrik Singh Sohi is 74 years of age. He is M.Sc. and Ph.D. He is an eminent Educationist, Researcher and Agricultural expert having more than 43 years of experience. Presently, he is working as a Consultant in RGR Cell, Sri Rattan Tata Trust, Mumbai. He is independent of the management and possesses appropriate skills, experience and knowledge.

Having regard to his vast expertise and knowledge, 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. 10 of the Notice, for continuation of holding of existing office by Dr. Amrik Singh Sohi as Independent Director of the Company even on attaining the age of 75 years, upto the expiry of his present term of office i.e. September 25, 2022, has been proposed for your approval.

Except Dr. Amrik Singh Sohi, 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.

Brief resume of Dr. Amrik Singh Sohi, 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 given hereunder:

Listed Companies (other than Nahar Spinning Mills Limited) in which Dr. Amrik Singh Sohi holds

Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:

Directorship of Board:

Sr. No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Independent Director
2	Nahar Capital and Financial Services Limited	Independent Director
3	Nahar Poly Films Limited	Independent Director

Chairmanship of Board Committees:

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Capital and Financial Services Limited	Stakeholder Relationship Committee

Membership of Board Committees:

Sr. No.	NAME OF THE COMPANY	COMMITTEE
1	Nahar Poly Films Limited	Stakeholder Relationship Committee

Shareholding in the Company: Nil

Disclosure of relationship between Directors inter-se: Nil

The Board recommends the Special Resolution set out at Item No. 10 of the accompanying Notice for your approval.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment/re-appointment:

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

1. Name	Mr. Dinesh Gogna
Age	68 Years
Qualification	BA, LLB
Expertise	Having more than 44 years of experience in Corporate Finance and Taxation

Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Dinesh Gogna holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:

Directorship of Board:

Sr. No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Director
2	Nahar Capital and Financial Services Limited	Director
3	Nahar Poly Films Limited	Director
4	Nahar Industrial Enterprises Limited	Director
5	Oswal Leasing Limited	Director

**Chairmanship of Board Committees:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Stakeholder's Relationship Committee
2	Nahar Industrial Enterprises Limited	Stakeholder's Relationship Committee

Membership of Board Committees:

Sr.No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Audit Committee Nomination and Remuneration Committee CSR Committee Share Transfer Committee
2	Nahar Industrial Enterprises Limited	Audit Committee CSR Committee
3	Nahar Poly Films Limited	Audit Committee Stakeholder Relationship Committee CSR Committee Share Transfer Committee
4	Nahar Capital and Financial Services Limited	CSR Committee Share Transfer Committee

Shareholding in the Company: Nil**Disclosure of relationship between Directors inter-se: Nil**

2. Name	Mr. Kamal Oswal
Age	59Years
Qualification	B.Com
Expertise	Having more than 39 years of experience in Textile & Woollen Industry.

Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Kamal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:**Directorship of Board:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Capital and Financial Services limited	Director
2	Nahar Poly Films Limited	Director
3	Nahar Industrial Enterprises Limited	Director
4	Oswal Leasing Limited	Director

Chairmanship of Board Committees: Nil**Membership of Board Committees:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Industrial Enterprises Limited	Stakeholder's Relationship Committee

Shareholding in the Company: 24750 Equity Shares of Rs.5/- each**Disclosure of relationship between Directors inter-se: Mr. Kamal Oswal is son of Mr. Jawahar Lal Oswal and brother of Mr. Dinesh Oswal.****Shareholding in the Company: Nil****Disclosure of relationship between Directors inter-se: Nil****BY ORDER OF THE BOARD**DATE: 2ND AUGUST, 2021**BRIJ SHARMA**
(COMPANY SECRETARY)**REGISTERED OFFICE:**
373, Industrial Area-A,
Ludhiana -141003 (India)
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnahar.com



DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the **Forty-first Annual Report** on the affairs of the Company for the financial year ended 31st March, 2021.

FINANCIAL PERFORMANCE

Your Company's Financial Performance during the year is summarized below:

(Rs. in Crores)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Income (Operational and Other Income)	2118.83	2089.98
Less: Total Expenses	2065.30	2167.21
Profit/Loss before tax and Exceptional Items	53.53	-77.22
Less: CSR Expenses	0.00	0.83
Profit/Loss before tax	53.53	-78.06
Less: Tax expenses (including deferred tax)	12.12	-25.00
Net Profit/Loss from continuing operations	41.41	-53.06
Other Comprehensive Income	37.92	-1.50
Profit/Loss for the Period	79.33	-54.56

INDIAN ACCOUNTING STANDARD

The Company has adopted Indian Accounting Standards (Ind AS) and the financial statements have been prepared as per the Indian Accounting standard Rules, 2015, as prescribed under Section (133) of the Companies Act, 2013 read with relevant Rules issued thereunder and the other Accounting Principles generally accepted in India.

OPERATIONAL REVIEW AND STATE OF AFFAIR

We would like to inform you that Company operates in a single segment i.e. "TEXTILE" as such disclosure requirements as per Indian Accounting Standard (Ind AS) 108 issued by the Institute of Chartered Accountants of India, New Delhi, are not applicable.

Before reviewing the operational performance, we would like to inform you that your Company has been awarded **Gold Trophies for the Highest Exports of Cotton Yarn in "Counts 50s and below" and "Processed Yarns" by TEXPROCIL for the year 2019-20.**

As the members are aware that the outbreak of Covid-

19, a Global Pandemic in March, 2020 impacted the business environment all over the world. The subsequent lockdown and opening of lockdown in stages significantly affected the company's performance in the first half of the Financial Year under review. The company's top line as well as bottom line was severely impacted during the said period and it suffered losses. However with the opening of Global economies and improvement in the Global demand, the company's performance started improving from October, 2020 onwards and the company has been able to put up a reasonably good performance during the year under review. The company achieved a total income from operations of Rs. 2118.83 crores as against Rs. 2089.98 crores showing an increase of 1.38% over the previous year. Likewise, the exports at Rs. 1146.34 crores have also shown an increase of 3.55 % over the previous year. On profitability front, the company substantially improved its performance and earned a profit before tax of Rs. 53.53 crores as against loss of Rs. 78.06 crores in the previous year. After providing tax of Rs. 12.12 crores, Company earned a net profit of Rs. 41.41 crores as against loss of 53.06 crores. The Company's Reserves (other equity) stands at Rs. 879.86 crores as on 31st March, 2021.

Your management is quite hopeful that with the opening of major economies of the world and recovery in global demand, company will be able to achieve decent growth in coming period after taking care of the safety and the well being of its workers/employees.

COVID-19 PANDEMIC

We would like to share with you the prevailing COVID-19 situation. The second wave of Covid-19, a Global pandemic in April-May, 2021 again impacted the economic activities. However, the Government efforts to vaccinate its citizens in a big way has resulted reduction in the Covid cases. Your management also arranged Vaccination camps at the factories and offices of the company so that each and every employee/staff gets vaccinated.

The Company has also made assessment of its liquidity position and the recoverability and carrying value of its assets. The Company has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Company expects to recover the carrying amount of these assets and no material



adjustments are required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising out of the future economic conditions and its impact on the business of the company.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY (DDP)

We are pleased to inform you that your Board in its meeting held on 31st May, 2021 has recommended a dividend @ Rs. 1.50/- per equity shares of Rs. 5/- each for the year ended 31st March, 2021, out of the profits of the company. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting scheduled to be held on 29th September, 2021. The total dividend payout for the dividend shall be Rs. 5.41 crores.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of the Profits of the Company for the year under reference, to all those shareholders whose names shall appear in the Register of Members on 17th September, 2021 or Register of beneficial Owners, maintained by the Depositories as at the close of 17th September, 2021. Further, as per the Finance Act, 2020 dividend income is taxable in the hands of members w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from the dividend payable to the members at the prescribed rates as per the Income Tax Act, 1961.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the top 1000 listed companies are required to formulate a Dividend Distribution Policy. Accordingly, a Dividend Distribution Policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is available on the Company's website at the link: http://www.owmnahar.com/spinning/pdf/dividend_distribution.pdf

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions Section 124(5) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all dividend remaining unpaid or unclaimed for period

of seven consecutive years is required to be transferred to the Investor Education Protection Fund (IEPF) established by the Central Government. Accordingly, the Company has transferred an amount of Rs. 9,42,466/- (Rupees Nine Lakhs Forty Two Thousand Four Hundred and Sixty Six only) being the amount of unclaimed dividend for the year 2012-13 to the Investor Education and Protection Fund in November, 2020. Further, unpaid or unclaimed dividend for the year 2013-14 will have to be transferred to the Investor Education and Protection Fund in November, 2021. The Company has already sent emails / notices in the month of June, 2021 to the members informing them to claim the Unclaimed Dividend before such transfer of dividend to the IEPF Authority. Besides, as per the provisions of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the equity shares on which dividend remains unpaid or unclaimed by the shareholders for seven consecutive years or more is required to be transferred to the Demat Account of the IEPF Authority. Accordingly in compliance of the provisions of the Act, 117571 (One Lakh Seventeen Thousand Five Hundred and Seventy One) equity shares of Rs 5/- each were transferred to the DP/Client ID IN300708/10656671 opened in the name of the Investor Education and Protection Fund Authority. The details of the shareholders whose shares are proposed to be transferred to the Demat account of IEPF Authority in November, 2021 is available on company's website <http://www.owmnahar.com/spinning/transfer-of-equity-shares-to-IEPF.php> and the same can be accessed through the link: www.iepf.gov.in. The Company has already sent notices to shareholders to claim the dividend if any.

We are pleased to inform that Shareholders can reclaim their subject shares/dividend by making an application to the IEPF Authority in e-Form IEPF-5 as per procedure provided under Rule 7 of the IEPF Rules. The Shareholders can also view the procedure at www.iepf.gov.in.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- **Appointment/Re-appointment/Retirement of Directors**

During the year under review, Prof. Kanwar Sain Maini (DIN 00454686) was relieved from the office of Independent Director on the expiry of his second term of office on September 25, 2020. Dr. Roshan Lal Behl (DIN: 06443747) was appointed as Independent Directors of the Company w.e.f. 29th September, 2020 to hold office for five consecutive years for a term i.e. upto 29th September, 2025.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and Article 117 of Article of Association of the Company, Sh. Dinesh Gogna, (DIN 00498670) and Sh. Kamal Oswal, (DIN 00493213) will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommend their re-appointment to the members of the Company at the ensuring Annual General Meeting.

Further, Regulation 17 (1A) of SEBI (LODR) (Amendment) Regulations 2018, prescribes that no listed entity shall appoint a person or continue directorship of any person as a non-executive director, who has attained the age of seventy five years unless a Special Resolution is passed to that effect. We would like to inform you that Dr. Vijay Asdhir, who is a Non-Executive Independent Director who holds office upto 25th September, 2022, is going to reach the age of Seventy Five Years on 27th July, 2022. Likewise, Dr. Amrik Singh Sohi, who is Non-Executive Independent Director who holds office upto 25th September, 2022, is going to reach the age of Seventy Five years on 1st August, 2022. Accordingly in compliance of Regulation 17 (1A) of SEBI (LODR) (Amendment) Regulations 2018, Company has proposed two Special Resolutions in the accompanying th Notice of 41st Annual General Meeting, for shareholders' approval so that they can continue to be Directors of the Company even after the age of seventy five years.

- **Reappointment of Managing Director**

The period of office of Sh. Dinesh Oswal,

Managing Director of the Company, who was appointed for a period of five years, is expiring on 31st December, 2021. The Board having regard to the overall growth of the Company under his able and dynamic leadership and on the recommendation of Nomination and Remuneration Committee has decided to reappoint him (subject to approval of shareholders) as Managing Director for a further period of five years commencing from 1st January, 2022. The resolution for the same is being proposed for your approval in the accompanying Notice of ensuing Annual General Meeting.

- **Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Dinesh Oswal Managing Director, Mr. Anil Garg, Chief Financial Officer and Mr. Brij Sharma, Company Secretary are the Key Managerial Personnel (hereinafter referred as KMP) of the Company and there has been no change in the KMP since the last fiscal year.

BOARD EVALUATION

The provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandate that a formal annual performance evaluation is to be made by Board of its own performance and that of its Committee and individual Directors, Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Director being evaluated.

The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination and Remuneration Committee of the Company and adopted by the Board. The evaluation was carried out through a structured evaluation process to evaluate the performance of individual directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement and contribution, independence of judgment, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors



was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The outcome of the Board Evaluation for the Fiscal 2021 was discussed by the Nomination and remuneration Committee at the meeting held on 31st May, 2021 and the Board at the meeting held on 31st May, 2021.

The Board was satisfied with the evaluation process and the approved the evaluation results thereof.

CORPORATE POLICIES:

As per SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the listed Companies are required to formulate certain policies. As a good corporate entity, the Company has already formulated several corporate governance policies and the same are available on the Company’s website i.e. www.owmnahar.com. The said policies are reviewed periodically by the Board to make them in compliance with the new Regulations/requirements.

The Company has adopted certain policies, the details of which are given hereunder:

Name of the Policy	Brief Description
Appointment & Remuneration Policy	Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 3rd February, 2015 approved the Policy for Appointment and Remuneration of Directors, Key Managerial Personnel and other employees as recommended by Nomination and Remuneration Committee. The policy formulates the principle and criteria for determining qualification, competence, positive attributes, integrity and independence etc. for Directors, Senior Management Personnel including its Key Managerial Personnel (KMP) and employees of the Company. The Policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees.
Corporate Social Responsibility policy	Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the CSR Committee formulated the CSR Policy which was adopted by the Board. The CSR policy outlines the various programmes/

	projects/Activities to be undertaken by the Company as laid down in schedule VII of the Companies Act, 2013.
Whistle Blower Policy	Pursuant to the provisions of Section 177 of the Companies Act, 2013 Company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its Directors and employees. The aim of the policy is to provide a channel to the Directors and employees to report their genuine concerns about unethical behavior, Actual or suspected fraud or violation of the code of conduct.
Policy on Materiality of Related Parties Transactions and Dealing with Related Party Transactions	Pursuant to the requirements of regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board has approved a policy on Materiality of Related Parties Transactions and Dealing with Related Party Transactions. The Policy regulates the transaction between the Company and its Group Companies and related parties. The policy has been uploaded on Company’s website and can be access at http://www.owmnahar.com/spinning/pdf/RPT-NAHAR-SPINNING.pdf
Insider Trading Policy	To provide the framework for dealing in securities of the Company by the insiders, the Board has approved and adopted the following codes in its meeting held on 30th May, 2015 under SEBI (Prohibition of Insider Trading Regulation 2015). Further, in terms of Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019, the Board of Directors of a Listed Company are required to make a policy for determination of “Legitimate Purposes” as a part of Code of Fair Disclosures and Conduct formulated under Regulation 8 of the Regulations. Accordingly, the Board of Directors in their meeting held on 11th February, 2019 amended the Code of Practices and Procedures for fair disclosure of unpublished price sensitive information to include therein the policy for Determination of Legitimate Purpose. The Policy Provides for: 1. Code of practice and procedures for fair disclosure of unpublished price sensitive information. 2. Policy for Determination of Legitimate Purpose



	The Codes help to regulate trading in securities by the Directors and designated employees of the Company. The Codes require pre- clearance for dealing in the Company's share and prohibit the purchase and sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to Company and during the period when Trading Window is closed. The policy has been uploaded on Company's website and can be accessed at http://www.owmnahar.com/spinning/pdf/Code-of-fair-disclosure.pdf
Policy for Preservation of documents	Board of directors in their meeting held on 10th February, 2016 has approved and adopted the policy for Preservation of documents. The policy segregates the documents to be preserved permanently and documents to be preserved at least for a period of eight years as per requirements of applicable laws.
Archival Policy	Pursuant to the requirements of Regulation 30(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Archival Policy in its Meeting held on 10th February, 2016. The policy ensure protection, maintenance and archival of Company's disclosures, documents and records that are placed on Company's website i.e. http://www.owmnahar.com .
Board Diversity Policy	The Board of Directors in their Meeting held on 12th November, 2014 has approved and adopted the Board Diversity Policy as per the recommendation of Nomination and Remuneration Committee. The policy envisages diversification of Company's Board in respect of age, knowledge, experience and expertise.
Dividend Distribution Policy	Pursuant to the requirements of regulation 43A of SEBI (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations 2021, the Board of Directors in their Meeting held on 31st May, 2021 has approved and adopted the Dividend Distribution Policy. The policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy has been uploaded on Company's website and can be accessed at http://www.owmnahar.com/spinning/pdf/dividend_distribution.pdf

Appointment and Remuneration of Directors, Senior Management and other employees as provided under Section 178(3) of the Companies Act, 2013. The objective of the Policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. The present Board consists of ten members Sh. Jawahar Lal Oswal is non-executive Chairman. Sh. Dinesh Oswal is a Managing Director. There are four Non Executive Directors and five are Independent Directors out of which one Director namely; Dr. (Mrs.) Manisha Gupta is Women Director on the Board.

The Company's Policy of Appointment and Remuneration includes criteria for determining Qualification, Positive Attributes, Independence of Directors and other matters, as required under sub Section 3 of Section 178 of the Companies Act, 2013. The policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees. The Appointment and Remuneration Policy of the Company is available on the Company's website and can be accessed at [www.owmnahar.com/spinning/pdf/NSML APPOINTMENTANDREMUNERATIONPOLICY.pdf](http://www.owmnahar.com/spinning/pdf/NSML_APPOINTMENTANDREMUNERATIONPOLICY.pdf). There has been no change in the Policy since the last fiscal year. We affirm the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors held their meeting on 9th November, 2020 without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting. They:

1. Reviewed the performance of non-Independent directors and the Board as a whole.
2. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors.
3. Assessed the quality and timeliness of the flow of information between the Company's management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

APPOINTMENT AND REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for

**FAMILIARISATION PROGRAMS FOR BOARD MEMBERS**

At the time of appointing a Director, the Company issues a formal letter of appointment which inter alia, explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All Independent Directors are provided with all policies/Guidelines as framed by the Company under various statutes and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to familiarize with Company's procedure and practices. Further, to update them on the regular basis, the Company provides copies of all amendments in Corporate Laws, Corporate Governance Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations. The details of the Company's policy on Familiarization Programs conducted during the year under review for Independent Directors are posted on the Company's website and can be assessed at: <http://www.owmnaahar.com/spinning/pdf/familiarization.pdf>

NO. OF BOARD MEETINGS

During the year under review, the Board of Directors met four times i.e. 26th June, 2020, 12th August, 2020, 10th November, 2020 and 3rd February, 2021 with a predefined agenda circulated well in advance. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Your Company is engaged in the Manufacture & Exports of yarns and knitted garments. Likewise some Group Companies (which are public limited Companies) are also engaged in the Textile Industry. Because of nature of Industry, sometimes sale/purchase/fabrication jobs, transactions takes place between the Group Companies, in the ordinary course of business on Arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc which may have potential conflict of interest with the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with the Rule 8 of the Companies (Accounts) Rules, 2014. However, the transactions

entered into with the Group Companies during the year under review, has been given in Notes to the financial statements in accordance with the Accounting Standards.

The Company has not entered into any contract or arrangement with the related parties as referred in Section 188(1) of the Companies Act, 2013. Thus the requirement for disclosure of particulars of contracts or arrangement with related parties referred to in Section 188(1) is not applicable. However, as per Company's policy, all the Group Companies transactions regarding sales/purchase etc. are placed before the Audit Committee as well as the Board, for their information and approval.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

SHARE CAPITAL

The Paid up equity share capital of the Company as on 31st March, 2021 is Rs. 1803.27 Lakhs. During the year under review, Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor granted any stock options or sweat equity under any scheme.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not provided any Guarantee under Section 186 of the Companies Act 2013. However, the details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As reported in our earlier reports, Company adopted



CSR Policy and decided to undertake CSR Activity in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The details of the CSR policy are available on the Company's website i.e. www.owmnaahar.com.

As per the provisions under Section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014, the company is required to contribute 2% of the Average net profits made during the three immediate preceding financial years on CSR activities.

We would like to inform you that because of the losses in the years 2017-18 & 2019-20 there was average net loss, as such the company was not required to spend any amount to CSR activities.

The disclosure in respect of the existing CSR Activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014, is annexed hereto as "Annexure I" and forms part of this Report.

AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013, the Board of Directors have already constituted Audit Committee consisting of three Non-Executive Directors namely; Dr. Vijay Asdhir as Chairman, Sh. Dinesh Gogna and Dr. S.K. Singla, as members. Dr. Vijay Asdhir became the Chairman of the committee effective from 25th September, 2020 in place of Prof. K.S. Maini. Mr. Brij Sharma is the Secretary of the Committee. The Committee held four meeting during the year. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2013, the Company established a Vigil Mechanism process as an extension of Company's Code of Conduct whereby any employee, directors, customers, vendors etc., can report the genuine concerns or grievances to the members of the Audit Committee about unethical behavior, actual or suspected, fraud or violation of

Company's Code of Conduct so that appropriate action can be taken to safeguard the interest of the Company. The Mechanism also provides for adequate safeguards against victimization of persons who uses such mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website. The Company has a dedicated e-mail address i.e. whistleblowersml@owmnaahar.com for reporting the genuine concerns.

The Audit Committee regularly reviews the working of the Mechanism. No complaint was received during the year under review.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATES COMPANY

The Company does not have any subsidiaries, joint venture and associates Company during the year under review.

CREDIT RATING

We would like to inform that the Credit Rating Information Services of India Ltd. (CRISIL) has intimated the revision in Company's rating outlook through credit rating report in May, 2021 that on the long term bank facilities has been revised to 'Stable' from 'Negative' while reaffirming the rating at 'CRISIL A-'. The rating on the short-term bank facility has been reaffirmed at 'CRISIL A2+'.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Further, as per the provisions of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company may send financial statements and other documents by electronic mode to its members. Your Company has decided to join the MCA in its environmental friendly initiative.

Accordingly, henceforth Company propose to send documents such as notices of General Meetings, Annual Report and other communications to its shareholders via electronic mode to the registered E-mail addresses of the shareholders. To support this green initiative of the Government in full measure shareholders are requested to register/update their latest E-mail addresses with their depository



Participant (D.P.) with whom they are having Demat Account or send the same to the Company via E-mail at:- secnsm@owmnaahar.com or gredressalnsml@owmnaahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the Environment.

LISTING OF SECURITIES

The securities of the Company are presently listed on the following Stock Exchanges:

- i. The BSE Ltd., 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
- ii. The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai.

The Company has paid listing fee to both the Stock Exchanges for the financial year 2021-22

DEMATERIALIZATION OF SECURITIES

As per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has appointed M/s Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer/Transmission, Demat/Remat, Change of Address etc. to our Registrar at below mentioned address:

M/s Alankit Assignments Limit

(Unit: Nahar Spinning Mills Limited)

Alankit House, 4E/2, Jhandewalan Extension

New Delhi – 110 055

Telephone No. : (011) 42541234

Fax No. : (011) 23552001

E-mail address: rta@alankit.com

Besides, SEBI vide its Gazetted notification dated June 08, 2018 amended the Regulation 40 (1) (b) of SEBI (LODR) Regulations, 2015 whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in Dematerialized form with the Depository.

In view of the above, members are hereby informed that requests for effecting transfer of securities in

physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Hence all members who are holding equity shares in physical form are requested to go in for dematerialization of securities at the earliest.

In case any query/complaint remains unresolved with our Registrar please write to Company Secretary at the Registered Office of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the financial statements for the year under review, confirm in their entirety to the requirements of Companies Act, 2013. Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge & ability, confirm that:

- i. in preparation of the Annual Accounts, the applicable Accounting Standards had been followed alongwith proper explanations relating to material departures;
- ii. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they had prepared the Annual Accounts on a going concern basis.
- v. that the directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**AUDITORS & AUDITOR'S INDEPENDENT REPORT
STATUTORY AUDITORS**

We wish to inform you that M/s YAPL & Co, Chartered



Accountants, Firm Registration no (017800N), were appointed as Statutory Auditors by the Members of the Company, for a term of five consecutive years starting from the conclusion of the 37th Annual General Meeting upto the conclusion of the 42nd Annual General Meeting of the Company in the calendar year 2022.

AUDIT REPORT

The Statutory Auditors have submitted Audit Report on the Financial Statements of the Company for the Accounting year ended 31st March, 2021. There were no qualifications, reservations, adverse remarks or disclaimers in the Report. The observations and comments given by Auditors in their Report read together with the Notes to the Accounts are self explanatory and require no comments.

No frauds were reported by the Auditors under Section 143(12) of the Companies Act, 2013.

COST AUDITORS

We would like to inform you that the Ministry of Corporate Affairs vide Notification dated 31st December, 2014 amended Companies (Cost Records and Audit) Rules, 2014, pursuant to which, the Company's business Activities have been included within the purview of Cost Audit requirement. Accordingly, the company is maintaining Accounts and Costing Records. Further, the Board of Directors on the recommendation of Audit Committee has also appointed M/s Ramanath Iyer & Co. (Firm Registration No. 000019), Cost Accountant, as Cost Auditors of the Company for financial year 2021-22.

The remuneration of Rs.1.75 Lakhs (Rupees One Lakh Seventy Five Thousand Only) plus applicable taxes and reimbursement of out of Pocket expenses incurred, payable to the Cost Auditors is required to be ratified by the members as per the provision of Section 148(3) of the Companies Act, 2013 and Rules 14 of the Companies (Audit and Auditors) Rules, 2014. Accordingly, a resolution for the ratification of the remuneration of the Cost Auditors by the members at the ensuing Annual General Meeting is being proposed for their approval.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards (SS1 & SS2) relating to the meetings of Board of Directors and General meetings respectively issued by the Institute of Company

Secretaries of India.

SECRETARIAL AUDITOR

The Board, pursuant to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s. P.S. Bathla & Associates, Practicing Company Secretaries, having Certificate of Practice No. 2585 as Secretarial Auditor to conduct Secretarial Audit for the financial year 2021-22.

M/s. P.S. Bathla & Associates, Practicing Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2021 and their Secretarial Audit Report in Form No. MR-3 is annexed hereto as Annexure II and from part of this Report.

The Secretarial Audit Report does not contain any qualification, reservations or adverse remarks and requires no comments.

BUSINESS RISK MANAGEMENT

Your Board has formulated a Risk Management Policy. The Policy aims to identify, evaluate manage and monitor all types of risks associated with the business of the Company. The Board as well as Audit Committee regularly oversees the risk management process in the Company, as required under 134(3)(n) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your Company is operating in Textile segment and has identified certain risks which may affect the performance of the Company. These are Operational risks such as fluctuation in cotton prices, fluctuation in foreign exchange rates, Labour problems and Regulatory risks such as change in Government Policy with respect to Textile Industry etc. The Company's Risk Management Policy aims to suggest the steps to be taken to control and mitigate the risk associated with the Company's Textile Business. We are of opinion that none of identified risk is such that which may threaten the existence of the Company.

In compliance with the provisions of Regulation 21 of SEBI (LODR) (Second Amendment) Regulations, 2021 the company has also formed a Risk Management Committee to frame, implement and monitor the risk management plans for the Company. The Risk Management Committee comprises of three Directors under the chairmanship of Mr. Dinesh



Oswal, Managing Director of the Company. Dr. S.K. Singla and Dr. Rohan Lal Behl are other two members of the Committee. The Committee is responsible for monitoring and reviewing the risk management policies and ensuring its effectiveness.

INTERNAL FINANCIAL CONTROL

The Company is maintaining an efficient and effective system of Internal Financial Control for facilitation of speedy and accurate compilations of financial statements. The Company's Internal Financial Control System is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliances with procedures, laws and regulations. The Company's Internal Control System commensurate with the nature of its business and size of its operations. In order to further strength the Internal Control System and to automate the various process of the business, Company is making use of Enterprise Resource Planning (ERP).

The Company has also appointed M/S Piyush Singla & Associates, Chartered Accountants as Internal Auditors of the Company. The company is also having internal audit department to test the adequacy and effectiveness of Internal Control Systems laid down by the Management and suggests improvement in the systems. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

Apart from the above, an Audit Committee consisting of three Non Executive Directors has been constituted. All the significant audit observations and follow up Actions thereon are taken care of by the Audit Committee. The Audit Committee also oversees and reviews the adequacy and effectiveness of Internal Control in the company. The Audit Committee met four times during the financial year under review. The company has also established a Vigil Mechanism as per Section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any Public Deposit within the meaning of Section 73, of the Companies Act, 2013 and the Rules made there under. There is no outstanding/unclaimed

deposit from the public. However, the information as required under Rule 8 of the Companies (Accounts) Rules, 2014 is given hereunder:-

- i. Deposits accepted during the year : Nil
- ii. Deposits remained unpaid or unclaimed as at the end of the year : Nil
- iii. Default in repayment of deposits and deposits which are not in compliance with the Requirements of Chapter V of the Companies Act, 2013 : N.A.

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

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

The Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2020-21, the Company has not received any complaints on sexual harassment and hence no compliant remains pending as of 31st March, 2021.

ANNUAL RETURN

The Annual Return of the Company, pursuant to the provisions of Section 92 with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2020-21 in the Form MGT-7 has been uploaded on Company's website at <http://www.owmnahar.com/spinning/pdf/Annual-Return-20-21.pdf>

STATEMENT UNDER SECTION 197 OF THE COMPANIES ACT, 2013

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as "Annexure III" and form part of this report.

In terms of Section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. However, the details regarding remuneration received by Managing Director is also



given ANNEXURE III annexed hereto and form part of this report.

Pursuant to the provisions of Section 197 (1) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 read with schedule V and other applicable provisions, the Company got approval of the shareholders vide Special Resolution dated 30th September 2019 for the payment of remuneration as mentioned in the resolution as minimum remuneration for two years from 1st January, 2020 upto 31st December, 2021. Mr. Dinesh Oswal, Managing Director of the Company has been paid a remuneration of Rs. 9,42,92,950/- (Rupees Nine Crores Forty Two Lakhs Ninety Two Thousand Nine Hundred and Fifty Only) for financial year 2020-21. Mr. Dinesh Oswal is 56 years of age. He is a Commerce Graduate and has business experience of more than 36 years in textile industry and financial expertise. He is employed on contractual basis for five years w.e.f 1st January, 2017 to 31st December, 2021. Before joining the Company, he was employed with M/s. Oswal Woollen Mills Ltd. as Commercial Manager. His shareholding in the Company is 123766 equity shares of Rs. 5/- each. He is related to Mr. Jawahar Lal Oswal, Chairman, Mr. Kamal Oswal, Director, Mrs. Ritu Oswal, Export Advisor and Ms. Tanvi Oswal, Vice President of the Company.

No other employee was in receipt of remuneration exceeding the limits as provided under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The detailed information as required under Section 134(3) of the Companies Act, 2013 read with Sub Rule 3 of the Rule 8 Companies (Accounts) Rules, 2014, is enclosed as per Annexure-IV and forms part of this report.

REPORT ON THE CORPORATE GOVERNANCE

Your Company continues to follow the principles of good Corporate Governance. The Company has already constituted several committees of directors to assist the Board in good Corporate Governance. The Corporate Governance Report alongwith the Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in part C of Schedule VI of the SEBI (Listing Obligation and

disclosure Requirements) Regulations, 2015 is attached herewith as Annexure-V from part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is enclosed as per Annexure-VI and form part of this Report.

BUSINESS RESPONSIBILITY REPORT (BRR)

As stipulated under Regulation 34(2)(f) of the SEBI Listing Regulations, 2015 Business Responsibility Report ("BRR") is to be submitted by top 1,000 listed entities based on their market capitalization as on March 31, 2021 in the format as specified by SEBI from time to time. Accordingly, the company has attached the Business Responsibility Report as per Annexure VII and forms part of this Annual Report.

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year and the excellent results were achieved with the whole hearted co-operation of employees at all levels.

We would also like to inform you that during the challenging period of COVID-19 pandemic, Company has taken all possible steps to take care of the safety, security and health of the workers/ employees. The Company provided masks, hand sanitizer, regular body temperature checkup facility at the factory as well as office premises. The Company has also ensured that Company's factories and offices are sanitized at regular interval to safeguard its worker/ employees.

ACKNOWLEDGEMENT

The Board of Directors of the Company wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution to the operations of the Company. The Directors are thankful to the Bankers, Financial Institutions for their continued support to the Company. The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 2ND AUGUST, 2021

JAWAHAR LAL OSWAL
(CHAIRMAN)
DIN: 00463866



Annexure-I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended)

1. Brief outline on CSR Policy of the Company.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee framed the Corporate Social Responsibility Policy (CSR Policy) and the same was adopted by the Board of Directors on 11th August, 2014. As per policy, Company is undertaking CSR activities in collaboration with group companies i.e. Nahar Industrial Enterprises Limited, Monte Carlo Fashion Limited, Nahar Capital and Financial Services Limited, Nahar Poly Films Limited and Oswal Woollen Mills Limited, under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The CSR policy is also available on the Company's website at the link: <http://www.owmnahar.com/spinning/pdf/CSR.pdf>.

2. Composition of CSR Committee:

The Company has constituted CSR Committee which is responsible for the execution of the Company's CSR Policy. The CSR Committee comprises of three Directors as per detail hereunder:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sh. Dinesh Oswal	Chairman (Managing Director)	1	1
2.	Sh. S.K. Singla	Member (Independent Director)	1	1
3.	Sh. Dinesh Gogna	Member (Director)	1	1

3. Web-links where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The committee after the approval of the board has adopted CSR Policy as required Section 135 of the Companies Act, 2013. The CSR Policy and composition of CSR committee are available on our website on <http://www.owmnahar.com/spinning/pdf/CSR.pdf> and <http://www.owmnahar.com/spinning/committees-of-directors.php> respectively. Further, the Board of Directors of the Company on the recommendation of CSR committee has also approved the Health Care Project under which the Company will be contributing its CSR Obligation for the FY 2021-22 under Section 135 of the Companies Act, 2013 to Mohan Dai Oswal Cancer Treatment & Research Foundation, Ludhiana. The detail of the same is available on Company's website at link: http://www.owmnahar.com/spinning/pdf/CSR_project.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

As per sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to undertake impact assessment, through an independent agency of their CSR projects. However, to monitor and supervise the CSR projects undertaken by the Oswal Foundation, the board / committee has entrusted the responsibility to one of the CSR committee member. The members conduct the impact assessment of the CSR project undertaken by Oswal Foundation and report the same to the CSR committee as well as the Board.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year – Nil

6. Average net profit/loss of the company as per section 135(5).

There is a loss of Rs. (647.20) Lakhs as per section 135(5) of the Companies Act, 2013.

7. (a) Two percent of average net profit of the company as per section 135(5) - Nil

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil

(c) Amount required to be set off for the financial year – Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). – Nil

8. (a) CSR amount spent or unspent for the financial year – Nil

(b) Details of CSR amount spent against ongoing projects for the financial year – Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year – Nil

(d) Amount spent in Administrative Overheads – Nil

(e) Amount spent on Impact Assessment (if applicable) – NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Nil

(g) Excess amount for set off, if any – Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years – Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) – Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Nil

(Asset-wise details – Not applicable)

(a) Date of creation or acquisition of the capital asset(s). – NA

(b) Amount of CSR spent for creation or acquisition of capital asset. – NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – NA

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable

PLACE: LUDHIANA
DATE: 2ND AUGUST, 2021

Sd/-
(DINESH OSWAL)
Managing Director/ Chairman of CSR Committee
DIN: 00607290



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st MARCH, 2021

[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 Spinning Mills Ltd.
373 Industrial Area, Phase A,
Ludhiana Punjab- 141003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Nahar Spinning Mills 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, 2020 to 31st March, 2021** complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Nahar Spinning Mills Ltd** ("The Company") for the financial year ended on **31st March, 2021** 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, 2018; **(Not Applicable as the Company has not issued any shares during the year under review)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable as the Company has not issued any shares/options to directors/ employees under the said guidelines/regulations during the year 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, 2018. **(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

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) 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 notices are 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.

**Place: Ludhiana
Date: 2ND AUGUST, 2021**

For P S Bathla & Associates

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

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

'Annexure A'

To

The Members,
Nahar Spinning Mills Ltd.
373 Industrial Area, Phase A,
Ludhiana Punjab- 141003

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

**Place: Ludhiana
Date: 2ND AUGUST, 2021**

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



Annexure III

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

(l) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for financial year 2020-21	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the Performance of the Company
1	Sh. J.L. Oswal Non-Executive Director	30000	(-25)	0.33	
2	Sh. Dinesh Oswal Managing Director	*94292950 (including perks u/s 17(3) of Income Tax Act)	19.83	1035.22	PBT increased by 168.58 % and PAT increased by 178.05% in FY 2020-21
3	Sh. Kamal Oswal Non-Executive Director	40000	Nil	0.44	
4	Sh. Dinesh Gogna Non-Executive Director	40000	Nil	0.44	
5	Sh. S.K. Sharma Non-Executive Director	40000	Nil	0.44	
6	Dr. S.K. Singla Non-Executive Director	40000	Nil	0.44	
7	#Prof. K.S. Maini Non-Executive Director	20000	(-33.33)	0.22	
8	Dr. A.S. Sohi Non-Executive Director	20000	Nil	0.22	
9	Dr. Manisha Gupta Non-Executive Director	40000	Nil	0.44	
10	Dr. Vijay Asdhir Non-Executive Director	40000	100	0.44	
11	#Dr. Roshan Lal Behl Non-Executive Director	20000	Nil	0.22	
12	Sh. Anil Garg Chief Financial Officer	2300267	(-15.47)	25.25	PBT increased by 168.58 % and PAT increased by 178.05% in FY 2020-21
13	Mr. Brij Sharma Company Secretary	1881054	(-15.52)	20.65	

Note: * Pursuant to the provisions of Section 197 (1) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 read with schedule V and other applicable provisions, the Company got approval of the shareholders vide Special Resolution dated 30th September 2019 for the payment of remuneration as mentioned in the resolution as minimum remuneration, for two years from 1st January, 2020 upto 31st December, 2021.

On the expiry of his second term of office, Prof. K.S. Maini, ceased to be director of the Company w.e.f. 25th September, 2020. Dr. Roshan Lal Behl was appointed as an Independent Director of the Company w.e.f. 29th September, 2020.

- The median remuneration of employees of the Company during the financial year was Rs. 0.91 Lakhs (approx.)
- In the financial year, there was a decrease of 53.99 % in the median remuneration of employees.
- There were 10981 permanent employees on the rolls of Company as on March 31, 2021.
- Average percentage decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 19.99% because of prevailing Covid-19 conditions in the state. The increase in the managerial remuneration (Managing Director) for the same financial year was 19.83 %.
- It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for directors, Key Managerial Personnel and other Employees.

Details of top ten employees of the Company in terms of salary drawn as required under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name & Designation	Remuneration received	Nature of employment (contractual or otherwise)	Qualification & experience	Date of commencement of employment	Age	Last employment held	% age of equity shares held	Whether relative of any director or manager
1.	Sh. Dinesh Oswal (M.D.)	88184517	Contractual	B.Com, 36 years	01.01.1987	56	Oswal Woollen Mills Ltd., Ldh	0.34	Yes 1. S/o Sh. J.L. Oswal (Chairman) 2. B/o Sh. Kamal Oswal (Director) 3. Spouse of Mrs. Ritu Oswal, (Export Advisor) 4. F/o Ms. Tanvi Oswal, (Vice President)
2.	Sh. T. Chandar Mohan (Chief Executive)	2354905	Regular	D.T.T. 54 Years	12.06.1996	74	Malwa Cotton Spinning Mills Ltd., Ldh	NIL	No
3.	Mrs. Ritu Oswal (Advisor)	2570969	Regular	BA 6 Years	01.02.2013	49	N.A.	0.00	Yes 1. W/o Sh. Dinesh Oswal (M.D.) 2. M/o Ms. Tanvi Oswal, (Vice President)
4.	Sh. S. D. Awasthi (G.M.)	2459418	Regular	B. Tech. 41 Years	14.05.1992	64	Vardhman Polytex Ltd., Ldh	NIL	No
5.	Sh. Mukesh Rustogi (G.M.)	2432175	Regular	B. Tech. 37 Years	01.12.2015	58	Oswal Cotton Spinning Mills (Doraha, Ldh)	NIL	No
6.	Sh. P.K. Yashishth (G.M. Finance)	2330892	Regular	FCA 34 Years	06.09.1993	57	Hero Cycles Ltd., Ldh	0.12	No
7.	Sh. Anil Kumar Garg (C.F.O)	2300267	Regular	FCA 39 Years	02.01.1993	63	Nahar Fiber Ltd., Jitwal Kalan, Distt. Sangrur	0.01	No
8.	Sh. Anil Anand (G.M. Export)	2245438	Regular	Post Graduate 36 Years	11.01.1995	59	Malwa Cotton Spinning Mills Ltd., Ldh	NIL	No
9.	Sh. Rajinder Kalsi (SR.DY. G.M. Exports)	2220309	Regular	B. Tech 33 Years	16.11.1992	59	Vardhman spg. & Grm. Mills Ltd., Ldh	NIL	No
10.	Ms. Tanvi Oswal (Dy Executive)	2174980	Regular	BSC (Management) 3 Years	01.11.2018	24	N.A.	0.00	Yes D/o Sh. Dinesh Oswal (M.D.) & Mrs. Ritu Oswal, (Export Advisor)

FOR AND ON BEHALF OF THE BOARD

**PLACE: LUDHIANA
DATED: 2ND AUGUST, 2021**

**JAWAHAR LAL OSWAL
(Chairman)
DIN:00463866**



Annexure IV

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

a. Measures taken for conservation of energy

Energy conservation is an ongoing process in our organization. The company carries out continuous monitoring, planning, development and modification in our all units to conserve energy. The company always select latest art of technology, machinery and equipment having low energy consumption. We are pleased to report that our continuous efforts towards energy conservation have been recognized by PEDDA by awarding 2nd prize to our Spinning Unit-2 (at Lalru Distt Mohali) under the category of Energy Intensive Industries (sub category of Textiles) at the State Level Energy Conservation Award Competition 2019-20.

The company has also taken following measures for energy conservation:

- i) The Company has installed roof top solar plants at its spinning units which are generating clean & green energy and also resulting in saving of electricity costs.
- ii) The Company has replaced 250 Watt Sodium Vapor Lamp with LED Street Light Fixture 37 Watt & 36 Watt Tube lights with LED Light Fixture of 18 Watt in our spinning plants leading to substantial reduction of energy consumption.
- iii) The Company upgraded Lighting Stabilizers for lighting with low voltage for optimized lighting & Energy Conservation.
- iv) The Company has installed frequency drive on humidification plants water pump in Company's Spinning Unit at Lalru, for energy saving and better control of RH which has saved power substantially.
- v) The Company has further converted 7 more M/cs Drafting system from Pneumatic Loading to Spring Loading which has resulted further saving in Compressed air Consumption & also improvement in quality of Final Yarn. The Company is also continuously monitoring Compressed air Consumption by redeeming Leakage of Machinery.
- vi) The Company is getting Unity Power Factor with counter balancing by APFC Panel and getting rebate in Power Bill as well as reducing the line losses.
- vii) The company has taken steps to upgrade its power system for better quality power and enhanced protection for its equipment & machinery and lesser failure of electronics.
- viii) The Company is installing new machinery to replace the old one and the company has installed Power saving Spindles, energy saving bobbins & Economizer Ring Frame which helped the company to save electricity.
- ix) The Company is always checking air consumption for optimum use, monitoring of compressors parts & changing spinning machine parts regularly as per requirement to make machines healthy and efficient.

b. Steps taken for utilizing alternate sources of energy

The Company has already set up three Roof top solar projects at its Spinning Units, One at Village Jodhan, Distt. Ludhiana, Second at Village Lalru and Lehli, Distt. S.A.S. Nagar and the third at Village Mandideep, Distt. Raisen in the state of Madhya Pradesh which has generated green energy.

c. Capital Investment on energy conservation equipments

The Company continues to make Capital Investment on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

The Company continues to make efforts for Technology Absorption in all its spinning units. The efforts made by the Company are summarized as under:

- a) **Efforts made towards Technology Absorption**
 1. The Company continues to replace old machinery with Ultra Modern machinery in Company's Spinning Units. To overcome the problem of contamination to a great extent in the final yarn which is an utmost concern of end users, company has installed Contamination Sorters in all it's Blow Room lines and Electronic Yarn Clearers with Contamination Clearing in all the Autoconers in it's all Units.
 2. The company has the latest on line & offline testing and monitoring equipments to maintain the consistency of raw material as well as finished products. The Company is able to produce the improved quality of material through R&D monitoring. This has enabled the

3. Company to meet ever increasing expectations of its customers. The Companies R&D department is equipped with latest innovated state of the art yarn unevenness tester, Yarn seldom occurring fault tester to meet the quality requirements as per worldwide standard norms. The R&D efforts are not only to improve productivity & quality with optimum waste % but also developing value added products like Multi Slub yarn, Multi Count with Multi Slub yarn, Multi Twist Yarn, Grindle Yarn, 100% Organic cotton and Organic cotton blend Yarn, 100% Fair Trade Organic Cotton Yarn, B.C.I. Cotton & Cleaner Cotton Yarn, Polyester Cotton blend Yarn, Specialty yarn (Magic Yarn), Cotton Modal Blend, Melange yarn in different shades and blend for overseas & domestic Markets.

b) Benefits derived

The company has not only improved its product quality and productivity but has reduced its manufacturing costs. The Company has been able to build its Brand in the World Markets as a Manufacturer of 'world class yarn' which has enabled it to compete in the global markets and expand its market to value added market segments.

c) Information regarding Technology imported during the last three years:

Detail of Technology imported	: NIL
Year of import	: NA
Whether the technology has been fully absorbed	: NA
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	: NA

d) Expenditure on R & D

The R&D efforts in the company are focused not only on productivity, quality improvement with waste reduction but also developing value added products. The company has the latest on line & off line testing and monitoring equipments to maintain the consistency of raw material as well as finished products. The Company has been able to procure improved quality of raw material through R & D monitoring and achieve quality standards of the yarns.

Capital (Rs.)	: -
Recurring (Rs.)	: -
Total (Rs.)	: -

e) Future Plans

The company is committed to continue the upgradation of its R&D facilities by adding latest instruments & machineries that will strive to develop new products, keeping in view the future market requirements and will thus improve its competitiveness.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (I) Activities relating to Exports, Due to the Covid-19, the Company's initiative taken to increase exports, Development of New Export Markets for products and export plans.
- Due to the Covid-19, the Company's exports were affected for short period in March-April. However, with the opening of Global Trade, Company has taken effective steps to increase its exports and diversified export Markets. Company continues to make efforts to provide quality products at very competitive rates so that it can compete with Global suppliers and maintain a steady growth of exports.

		(Rs. in lakhs)	
		Current Year	Previous Year
(II)	Total Foreign Exchange used and earned		
a)	Earning (FOB value of Exports etc.)	112567.03	109838.52
b)	Outgo (CIF value of Imports, expenditure in foreign currency and other payments)	4133.69	14993.95

FOR AND ON BEHALF OF THE BOARD

**PLACE: LUDHIANA
DATED: 2ND AUGUST, 2021**

**JAWAHAR LAL OSWAL
(Chairman)
DIN:00463866**

**Annexure V****CORPORATE GOVERNANCE REPORT**

This Report of Corporate Governance form part of the Annual Report.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good CORPORATE GOVERNANCE is a key to success of business. The Company's philosophy envisages managing the company's affairs in fair and transparent manner with accountability in its operations so that Company's goal of creation and maximization of wealth of the shareholders could be achieved. Moreover, Good corporate Governance practices ensure that Company gain as well as retain the trust of Shareholders. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as "Listing Regulations") incorporate certain mandatory disclosure requirements which are required to be made with regard to Corporate Governance (Part C of Schedule V). Accordingly, we are pleased to report on the Corporate Governance as hereunder:-

II. BOARD OF DIRECTORS:**a. Board Composition:**

The Board of Directors is at the core of our Corporate Governance and oversees Management that protects Long term Interests of all the stakeholders. Your Management believe that well informed and Independent Board is necessary to ensure High Standard of Corporate Governance. The Regulation 17 of SEBI Listing Regulations prescribes that the Board of the Company should have the optimum combination of Executive and Non-executive directors with at least one Independent Women Director. Besides where the non-executive Chairperson is promoter of the listed entity or is related to any promoter then atleast half of the Board of Directors should consist of Independent Directors.

We are pleased to inform that Company's Board is an optimal mix of Executive, Non-Executive and Independent Directors so as to maintain its Independence in Governance and Management of the Company. The present strength of the Board as on 31st March, 2021 is Ten Directors. Mr. Dinesh Oswal is Managing Director of the Company and Sh. Jawahar Lal Oswal is Non-Executive Chairman and is one of the promoters of the Company. Accordingly, the Company's Board consists of five Independent Directors namely, Dr. Suresh Kumar Singla, Dr. Amrik Singh Sohi, Dr. Vijay Asdhir, Dr. Roshan Lal Behl and Dr. Manisha Gupta a Women Director. Dr. Roshan Lal Behl was appointed as an Independent

Director of the Company by the members on 29th September, 2020, for a period of 5 years. Sh. Kamal Oswal, Sh. Dinesh Gogna and Sh. S.K. Sharma are other Non-executive Directors of the Company. Prof. K.S. Maini, an Independent Director of the Company ceased to be the director of the Company on expiry of his term i.e. on 25th September, 2020. Thus, the Company is in compliance with all the applicable Provisions of the Listing Regulations.

Further, as per Regulation 17 (1A) of SEBI (LODR) (Amendment) Regulations 2018, notified on 9th May, 2018, no listed entity shall appoint a person or continue directorship of any person as a nonexecutive director, who has attained the age of seventy five years unless a Special Resolution is passed to that effect. We would like to inform you that Dr. Amrik Singh Sohi and Dr. Vijay Asdhir, the Independent Directors, will attain the age of seventy five years on 1st August, 2022 and 27th July, 2022, respectively. Accordingly, in compliance of Regulation 17 (1A) of SEBI (LODR) (Amendment) Regulations 2018, Company has proposed the Special Resolutions for shareholders' approval so that they can continue to be Directors of the Company even after attaining the age of seventy five years.

b. Board Meetings held and dates on which held:

As per the provisions of Section 173 of the Companies Act, 2013 and the rules made thereunder, read with Listing Regulations, every Company is required to hold minimum four number of Board Meetings every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive Board Meetings. We are pleased to report that the Company held four Board Meetings during the year i.e. on 26th June, 2020, 12th August, 2020, 10th November, 2020 and 3rd February, 2021 with a clearly defined agenda and has thus complied with the said provisions of the Act. The agenda alongwith the explanatory notes are circulated to the directors well in advance. Every Board member can suggest the inclusion of additional items in the agenda. All the Directors strive to be present at the Board Meetings.

c. Details of Attendance of Directors at the Board Meetings and Last Annual General Meeting:

The participation of Non-Executive Directors and Independent Directors has been active in the Board Meetings. The names and categories of the directors on the Board, their attendance at Board Meetings held during the year and last Annual General Meeting held on Tuesday, 29th day of September, 2020 and the number of directorship



and committee chairmanships/ memberships held by them in other public companies as on 31st March, 2021 is given hereunder.

Other directorships do not include directorships of private limited companies, Section 8 companies

and companies incorporated outside India. Chairmanship/ membership of Board Committees include only Audit Committee and Stakeholder's Relationship Committee as per Regulation 26(1)(b) of Listing Regulations.

Name of Directors	Category of Directors	No. of Directorship in other Public Companies	No. of Committee position held in other Public Companies		No. of Board Meetings attended	AGM Attendance	No. of Shares Held	Directorship in other Listed Entities	
			Member	Chairman				Name	Category
Mr. Jawahar Lal Oswal	Non Executive, Promoter	7	*	*	3	NO	90374	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited d) Monte Carlo Fashions Ltd.	Director
Mr. Dinesh Oswal	Executive, Promoter	6	*	*	4	YES	123766	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited	Director
Mr. Kamal Oswal	Non Executive, Promoter	8	1	*	4	YES	24750	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited d) Oswal Leasing Limited	Director
Mr. Dinesh Gogna	Non Executive	8	5	2	4	YES	5000	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited d) Monte Carlo Fashions Ltd. e) Oswal Leasing Limited	Director
Mr. S.K. Sharma	Non Executive	2	2	*	4	YES	9400	a) Nahar Poly Films Ltd. b) Nahar Capital and Financial Services Limited	Director
Prof. K.S. Maini*	Independent	0	0	0	2	NO	22	–	–
Dr. S.K. Singla	Independent	4	3	2	4	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited d) Monte Carlo Fashions Ltd.	Independent Director
Dr. Amrik Singh Sohi	Independent	3	1	1	2	YES	NIL	a) Nahar Poly Films Ltd. b) Nahar Capital and Financial Services Limited c) Monte Carlo Fashions Ltd.	Independent Director
Dr. Manisha Gupta	Independent	6	4	1	4	YES	NIL	a) Nahar Poly Films Ltd. b) Nahar Capital and Financial Services Limited c) Monte Carlo Fashions Ltd. d) Nahar Industrial Enterprises Ltd.	Independent Director
Dr. Vijay Asdhir,	Independent	3	1	2	4	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Capital and Financial Services Limited	Independent Director
Dr. Roshan Lal Behl#	Independent	3	1	1	2	YES	27	a) Nahar Industrial Enterprises Ltd. b) Nahar Capital and Financial Services Ltd.	Independent Director

Note:- *On the expiry of term of office, Prof. K.S. Maini, ceased to be an Independent Director of the Company w.e.f. 25th September, 2020. #Dr. Roshan Lal Behl, was appointed as Independent Director of the Company w.e.f. 29th September, 2020.

d. Number of other Board of Directors or Committee in which Directors are member or chairperson:

The information regarding the other Board of Directors or Committees in which Directors are member or chairperson as on 31st March, 2021, is

already given in the table given in Para C above. None of the Director holds Directorship in more than twenty Companies and is Director of more than ten public limited companies as prescribed under the Companies Act, 2013. Further, as per Regulation 17(A) of SEBI LODR (Amendment) Regulations,



2018 mandate that a person does not act as Director of more than eight listed entities and an independent director of more than seven listed entities. We are hereby confirm that directors are holding Directorship as per the limit specified in Regulation 26(1) SEBI LODR Regulations, 2015. None of the director is a member of more than Ten (10) Board level Committees or is Chairperson of more than Five (5) such Board level Committees as required under Regulation 26(1) of SEBI LODR Regulations, 2015.

e. Disclosure of relationships between directors inter-se:

Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal, Director and Mr. Dinesh Oswal, Managing Director of the Company. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers. None of other Director is related to any other director within the meaning of Section 2(77) of the Companies Act, 2013.

f. No. of Shares and Convertible Instruments held by non-executive directors:

Mr. Jawahar Lal Oswal who is Chairman and Non-Executive Promoter Director of the Company is holding 90374 equity shares of Rs. 5 each of the Company. Mr. Dinesh Oswal, who is Managing Director of the Company, is also holding 123766 equity shares of Rs. 5 each of the Company. Mr. Kamal Oswal, who is Non-Executive Promoter Director, is holding 24750 equity shares of Rs. 5 each of the Company. Mr. Dinesh Gogna, who is Non-Executive Director, is holding 5000 equity shares of Rs. 5 each of the Company. Mr. S.K. Sharma, who is Non-Executive Director, is holding 9400 equity shares of Rs. 5 each of the Company. Likewise, Dr. Roshan Lal Behl, who is an Independent Director, is also holding 27 equity shares of Rs. 5 each of the Company.

g. Web link of Familiarization Programs:

The details of Company’s Policy on Familiarization Programs for Independent Directors are posted on the website of the Company and can be accessed at <http://www.owmnahar.com/spinning/pdf/familiarization.pdf>.

h. Key Board Qualification, Experience and Attributes:

The Company’s Board comprises qualified members who bring in the required skill/Expertise that allow them to make effective contribution to the Board and its Committees. Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations, the Board of Directors has identified the following requisite skills/ expertise and

competencies required in the context of Company’s business and sector to function effectively.

Sr. No.	Core Skills/Expertise/Competencies
1.	Leadership skills
2.	Industry knowledge and Experience
3.	Managerial and Entrepreneurial Skills
4.	Experience and exposure in policy shaping and industry promotion
5.	Understanding of relevant laws, rules, regulations and policies
6.	Corporate Governance
7.	Financial expertise / knowledge
8.	Risk Management
9.	Information Technology

A Chart matrix setting out the skill/ expertise/ competency currently available in the Board: A table showing details of Skill/ Expertise actually available with the Directors of the Company.

Directors	Area of Expertise								
	Industry knowledge	Leadership Skills	Managerial and Entrepreneurial Skills	exposure in policy shaping	Understanding of relevant laws, rules, regulations and policies	Corporate Governance	Financial expertise / knowledge	Risk Management	Information Technology
Mr. Jawahar Lal Oswal	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Dinesh Oswal	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Kamal Oswal	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Dinesh Gogna	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mr. S.K. Sharma	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dr. S.K. Singla	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dr. Amrik Singh Sohi	YES	YES	YES	YES	YES	YES	-	YES	-
Dr. Manisha Gupta	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dr. Vijay Asdhir	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dr. Roshan Lal Behl*	YES	YES	YES	YES	YES	YES	YES	YES	YES

* Dr. Roshan Lal Behl was appointed as an Independent Director of the Company by the members on 29th September, 2020, for a period of 5 years.

i. Confirmation of Independent Directors and their registration with Databank

Pursuant to Clause C(2)(l) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfill the conditions required for independent directors as specified in the Listing Regulations and are independent of the management.

Further, pursuant to the notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have already completed the registration with the Independent Directors Databank.

j. Separate Meeting of Independent Directors:

As per the provisions of the Companies Act, 2013 and the rules made thereunder the Independent Directors are required to hold atleast one meeting in



a year without the attendance of Non Independent Directors and members of Management. We are pleased to report that the Company's Independent Directors met on 9th November, 2020 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. At the Meeting, they –

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- iii. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

Further, it is confirmed that in the opinion of the Board, the Independent directors fulfill the conditions specified in these regulations and are independent of the Management.

III. BOARD COMMITTEES

The Board has constituted Audit committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee which helps the Board in good Corporate Governance. Normally all the committees meet four times in a year. The recommendation of the committee is submitted to the Board for their approval.

1. AUDIT COMMITTEE

a. Brief Description of Terms of Reference:

The Board has constituted an independent and qualified Audit Committee. The term of reference of the Audit Committee is as per Part C of Schedule II of SEBI LODR Regulations 2015 and Section 177(4) of the Companies Act, 2013.

b. Composition:

The Audit Committee comprises of three Directors under the chairmanship of Dr. Vijay Asdhir, who is an Independent Director. Mr. Dinesh Gogna is Non Executive Director and Dr. S. K. Singla Independent Director, are the other two members of the Audit Committee. The committee was reconstituted on 25th September, 2020 on expiry of the term of Prof. K.S. Maini who was Chairperson of the committee. Dr. Vijay Asdhir was included in the Audit Committee and he became Chairperson of the committee on 25th September, 2020. Dr. Vijay Asdhir is M.Com, Ph.D. having more than 38 years' experience in Teaching Business and Administration. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana.

Accordingly, Dr. Vijay Asdhir is financially literate and has required accounting and financial management related expertise. S.K. Singla is M.A. in Economics & Statistics & Ph.D. in Statistics and is having requisite experience in teaching Business Management & Administration. Likewise, Mr. Dinesh Gogna is having 41 years of experience in corporate Finance, Taxation, Financial and Accounting matters. Mr. Brij Sharma is the Secretary of the Committee. Mr. Anil Garg who is the Chief Financial Officer is a permanent invitee of the Committee. The Statutory Auditors and Internal Auditors are also invited to attend the meetings as and when felt necessary and as per relevant provisions of the applicable laws/rules.

The Primary objective of Audit Committee is to monitor and provide an effective supervision on the Management financial reporting process, to ensure timely and accurate disclosure. Besides, the committee also oversees the work of internal and statutory auditors.

c. Meetings and Attendance

During the financial year 2020-21, the Committee met four times i.e. on 26th June, 2020, 12th August, 2020, 10th November, 2020 and 3rd February, 2021, for reviewing and adopting the quarterly un-audited/ audited financial results as well as the financial statements before recommending the same to the Board of Directors for their perusal and adoption.

The attendance record of the Audit Committee Members at the Meetings during the year 2020-21 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. Vijay Asdhir	4	2
Mr. Dinesh Gogna	4	4
Dr. S.K. Singla	4	4
*Prof. K.S. Maini	4	2

On the expiry of term of office of Prof. K.S. Maini on 25th September, 2020, he ceased to be the member/ Chairman of the Committee and Dr. Vijay Asdhir an Independent Director, was appointed as member/Chairman of the Committee w.e.f 25th September, 2020.

2. NOMINATION AND REMUNERATION COMMITTEE

a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board constituted the Nomination and Remuneration Committee. The broad term of reference of the Nomination and Remuneration Committee is as per the requirements of Part D of Schedule II of SEBI LODR Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee identifies the



persons who are suitable and qualified enough to become directors and who may be appointed in senior management category in accordance with the criteria laid down and recommend to the Board their appointment and removal. It carries out evaluation of every director's performance. The Committee also ensures that Company's remuneration policies in respect of Managing Director, Key Managerial Personnel and Senior Executives are competitive so as to recruit and retain best talent in the Company. It also ensures that appropriate disclosure of remuneration paid to the Directors, Managing Director, KMP and Senior Executives as per the applicable provisions of the Companies Act, 2013 and also devises a policy on "Diversity of Board of Directors". The company policy on Appointment and Remuneration of Directors has also been updated on Company's website i.e. www.ownahar.com.

b. Composition:

The Committee consists of three Independent Directors namely; Dr. S.K. Singla as the Chairman and Dr. Amrik Singh Sohi and Dr. (Mrs.) Manisha Gupta as members of the Committee.

c. Meetings and Attendance:

The Nomination and Remuneration Committee met two times during the year i.e. 26th June, 2020 and 12th August, 2020. The attendance record of the meetings held during the year 2020-21 is as under:

Name of Member	No.of Meetings Held	No.of Meetings Attended
Dr. S.K. Singla	2	2
Dr. Amrik Singh Sohi	2	2
Dr. Manisha Gupta	2	2

d. Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of parameters for evaluation includes education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement and contribution, independence of judgment, ability to communicate effectively with other board members and management, effective decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

e. REMUNERATION OF DIRECTORS

A. Pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company:

None of the Non Executive Directors has any pecuniary relationships or transactions vis-à-vis the Company.

B. Criteria of making payment to non-executive directors:

The Non-Executive Directors are paid remuneration in the form of sitting fee of Rs. 10,000/- per meeting for attending the Board Meeting of the Company. The details of sitting fee paid to Non executive Directors during the year 2020-21 is as follows:

Name of Director	Sitting Fees (Rs.)
Mr. Jawahar Lal Oswal	30000
Mr. Dinesh Oswal	--
Mr. Kamal Oswal	40000
Mr. Dinesh Gogna	40000
Mr. S.K. Sharma	40000
*Prof. K.S. Maini	20000
Dr. S.K. Singla	40000
Dr. Amrik Singh Sohi	20000
Dr. Vijay Asdhir	40000
Dr. (Mrs.) Manisha Gupta	40000
#Dr. Roshan Lal Behl	20000
Total	3,30,000

*On the expiry of term of office, Prof. K.S. Maini, ceased to be the Independent Director of the Company w.e.f. 25th September, 2020.
Dr. Roshan Lal Behl, was appointed as Independent Director of the Company w.e.f. 29th September, 2020.

C. Disclosures with respect to remuneration:

All the non executive directors of the Company are paid sitting fee for attending the Board Meeting. Mr. Dinesh Oswal, being the Managing Director of the Company has been paid remuneration as per shareholders' approval vide special resolution dated 30th September, 2019 under Section 197 read with Schedule V of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 for two years from 1st January, 2020 upto 31st December, 2021. The disclosure in respect of remuneration paid to Mr. Dinesh Oswal is as detailed below:

D. Elements of remuneration package

The elements of remuneration package paid to Mr. Dinesh Oswal, Managing Director of the Company, during the year 2020-21 is as follows:

Name of Director	Salary	Benefits	Bonuses	Stock Option	Pension	Total
Mr. Dinesh Oswal	*94292950	-	-	-	-	*94292950

Note: * Pursuant to the provisions of Section 197 (1) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 read with schedule V and other applicable provisions, the Company got approval of the shareholders vide Special Resolution dated 30th September 2019 for the payment of remuneration as mentioned in the resolution as minimum remuneration for two years



from 1st January, 2020 upto 31st December, 2021.

E. Details of fixed component and performance linked incentives, along with performance criteria:

The fixed Component of remuneration of Managing Director includes salary, H.R.A, perquisites and retirement benefits. He is also entitled to 1.5% commission of the net profits of the company, subject to overall limit as prescribed under the companies Act, 2013. But due to inadequacy of profits he has been paid Minimum remuneration as per shareholders' approval.

F. Service contracts, notice period, severance fees;

The tenure of office of the Managing Director is for five years from the respective date of appointment and same can be terminated by either party by giving three months notice in writing. There is no separate provision for payment of severance fees.

G. Stock option details:

None of the Non Executive Directors has been granted any stock option by the Company.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee. The Committee looks into the complaints/grievances of shareholders in respect of transfer of shares, Non receipt of Dividend, Share Certificates, Dematerialisation and Annual Reports etc. and recommends measures for improving the quality of investor service. The committee also oversees the performance of M/s Alankit Assignment Ltd. the Registrar and Transfer Agent of the Company. The main objective the committee is to assist the Board and Company in maintaining healthier relationship with all stakeholders.

b. Composition:

The Committee consists of three non executive directors under the Chairmanship of Dr. Vijay Asdhir. Dr. Amrik Singh Sohi an Independent Director and Mr. S.K. Sharma a Non Executive Director are the other two members of the Committee.

c. Meetings and Attendance

The Committee met four times from 1st April, 2020 to 31st March, 2021 i.e. on 26th June, 2020, 12th August, 2020, 10th November, 2020 and 3rd February, 2021. The attendance record at the meetings held during the year 2020-21 is as follow:-

Name of Member	No.of Meetings Held	No.of Meetings Attended
*Dr. Vijay Asdhir	4	4
Mr. S.K. Sharma	4	4
Dr. Amrik Singh Sohi	4	2
*Prof. K.S. Maini	4	2

*Due to the expiry of term of office of Prof. K.S. Maini on 25th September, 2020, he ceased to be the member/Chairman of the Committee and accordingly, the Board in its Meeting held on 12th August, 2020 appointed Dr. Vijay Asdhir an Independent Director, as member/Chairman of the Committee with immediate effect.

d. Name and Designation of Compliance Officer

Mr. Brij Sharma, Company Secretary is the Compliance Officer of the Company.

e. Details of Investors' complaints received/resolved/not solved to the satisfaction of shareholders/pending:

The Company has been quick in redressed of the grievances of the shareholders and has attended to most of the investors correspondence/grievances within a period of 7 to 10 days from the date of the receipt of the same. The details of Investors' complaints received/resolved/not solved to the satisfaction of shareholders/ pending is given here below:

No. of complaints received during the financial year	: NIL
No. of complaints resolved during the financial year	: NIL
No. of complaints not solved to the satisfaction of shareholders	: NIL
No. of complaints pending as on 31st March, 2021	: NIL

f. Dedicated e-mail for Investor Grievance

To enable investors to register their grievances, the Company has designated an exclusive e-mail id i.e. gredressalnsmil@owmnahar.com

4. OTHER COMMITTEES

1. SHARE TRANSFER COMMITTEE

The Company has also constituted a Share Transfer Committee comprising of 4 (four) members under the Chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Mr. Dinesh Gogna and Mr. S.K. Sharma, Directors of the Company and Mr. Brij Sharma, Company Secretary of the Company, are the members of the Committee. The Committee is responsible for approving the transfer and transmission of securities, Dematerialisation of shares, issuance of duplicate share certificates and other shareholders related issues. The Committee met nineteen times during the year under review i.e. 15th June, 2020, 30th June, 2020, 15th July, 2020, 31st July, 2020, 14th August, 2020, 28th August, 2020, 15th September, 2020, 30th September, 2020, 14th October, 2020, 31st October, 2020, 16th November, 2020, 30th November, 2020, 15th December, 2020, 31st December, 2020, 15th January, 2021, 30th January, 2021, 27th February, 2021, 15th March, 2021 and 31st March, 2021 and



the attendance record of the members at the meetings held during the year 2020-21 is as follows:-

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	19	19
Mr. Dinesh Gogna	19	19
Dr. S.K. Sharma	19	19
Mr. Brij Sharma	19	19

Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the shares (in respect of which dividend remained unpaid/unclaimed for a period of seven consecutive years) to the demat account of IEPF Authority as per applicable Rules. Details of shares transferred to the IEPF Authority are available on the Company's website and can be accessed through the link: <http://www.owmnahar.com/spinning/transfer-of-equity-shares-to-IEPF.php>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link <http://www.iepf.gov.in/IEPFA/refund.html>.

The Shareholders can claim their subject shares/dividend by making an application to the IEPF Authority in e-Form IEPF-5 as per procedure provided under Rule 7 of the IEPF Rules. The Shareholders can also view the procedure at www.iepf.gov.in.

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002; the Company has appointed M/s. Alankit Assignments Ltd, as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, investors, members of Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer/transmission, Demat, Remat, Change of Address etc. to our Registrar, whose address and telephone no etc. has already been mentioned in Director's Report.

2. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board constituted Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act 2013, read with Companies (corporate Social Responsibility policy) Rules, 2014. The Committee formulated and recommended Company's CSR policy to the Board which was approved and adopted by the Board of Directors. The Company's CSR policy is also available on Company's website www.owmnahar.com. As per policy, Company is undertaking CSR

activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation which is a Registered Society formed in 2006. The committee oversees and monitors the activities /programmes/projects undertaken by Oswal Foundation.

Composition

The CSR Committee comprises of three Directors under the chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Dr. S.K. Singla and Mr. Dinesh Gogna are other two members of the Committee. There has been no change in the composition of the committee during the year.

During the year under review, the Committee met once i.e. on 12th August, 2020. The attendance record of members at the meeting held during the year 2020-21 is as follow:-

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	1	1
Dr. S.K. Singla	1	1
Mr. Dinesh Gogna	1	1

The CSR report, as required under the Act for the year ended 31st March 2021 is attached as Annexure I to the Board report.

3. RISK MANAGEMENT COMMITTEE

As per the provisions of Regulation 21 of SEBI (LODR) (Second Amendment) Regulations, 2021, Top 1000 listed entities determined on the basis of market capitalization as at the end of immediate previous financial year are required to constitute a Risk Management Committee. We would like to inform you that as on 31st March, 2021, Company falls under the said category hence the Board of Directors in their Meeting held on 31st May, 2021 has constituted Risk Management Committee. The main term of reference of the Committee is to review and monitor the risks associated with Company's business and suggest measures for mitigation of the same as per Company's Risk Management Policy.

However, no business is free from Normal Business Risks i.e. Financial Risk, Exchange Risk, Cotton Prices Risk, Policy Risk, Global Risk etc. Earlier, the Audit Committee was taking care of the Company's risk management policies but with the constitution of Risk Management Committee it will be reviewed in its meeting so that the Company could face the challenges and risk associated with the Business successfully and become a Global competitive Company. The Risk Management Committee comprises of three Directors under the chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Dr. S.K. Singla and Dr. Rohan Lal Behl are other two members of the Committee.

**IV. GENERAL BODY MEETINGS****a. Location and time, where last three Annual General Meetings held:**

Financial Year	Location	Date	Time
2017-2018	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana.	28.09.2018	11.00 A.M.
2018-2019	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana.	30.09.2019	11.00 A.M.
2019-2020	Through Video Conferencing/ Other Audio Visual Means at the Regd. Office at 373, Industrial Area-A, Ludhiana.	29.09.2020	11.00 A.M.

b. Whether any Special Resolutions passed in the previous three Annual General Meetings:**2017-18**

- To approve the payment of Remuneration of Mr. Dinesh Oswal, Managing Director as approved by the Central Government.
- To approve continuation of holding of office as Non-executive Director by Mr. Jawahar Lal Oswal upon attaining the age of 75 years.
- To approve continuation of holding of office as Independent Director by Prof. K.S. Maini who has attained the age of 75 years.

2018-19

To approve the payment of remuneration to Mr. Dinesh Oswal, Managing Director, as approved by shareholders on 30th September, 2016 under section 197 read with schedule V of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017

2019-20

No special resolution passed in 2019-20

c. Whether any Special Resolution passed last year through postal ballot.

No Special Resolution was passed during the financial year ended 31.03.2021 through postal ballot.

d. Person who conducted the postal ballot exercise:

Not applicable as no special resolution was passed during the financial year ended 31.03.2021 through postal ballot.

e. Whether any special resolution is proposed to be conducted through postal ballot.

Presently, no Special Resolution is proposed to be conducted through postal ballot.

f. Procedure for postal ballot.

Whenever any special resolution will be conducted through postal ballot, the procedure for postal ballot shall be as per the applicable provisions of Companies Act, 2013 read with SEBI LODR

Regulations, 2015.

V. MEANS OF COMMUNICATION**a. Quarterly Results:**

The Company's quarterly results in the format prescribed by the SEBI LODR Regulations, 2015, are approved and taken on record by the Board within the prescribed period under the Regulations and sent immediately to all Stock Exchanges on which the Company's shares are listed.

b. Newspapers wherein results normally published:

The financial results of the Company are published in leading News Paper i.e. Business Standard/ Financial Express in English and Dainik Jagran in vernacular.

c. Any website, where displayed:

The Company's Quarterly, Half yearly and Annual Results are also displayed on the website of the Company i.e. www.ownahar.com. The Quarterly and Annual Financial Statement along with the Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report, Cash Flow Statement, Corporate Governance Report, Report on Management Discussion and Analysis and Shareholding Pattern etc. can also be retrieved by the investors from the website of the Company, BSE Limited and National Stock Exchange of India Limited.

d. Whether it also displays official news releases

Whenever any official news is released, the same is also displayed on the Company's website i.e. www.ownahar.com.

e. Presentations made to institutional investors or to the analysts:

Whenever any presentation about Company's working is made to the Financial Institutional Investors or to the Analyst, the same is displayed on the Company's Website i.e. www.ownahar.com.

VI. GENERAL SHAREHOLDERS INFORMATION**a. Annual General Meeting**

Date : 29th September, 2021
Day : Wednesday
Time : 10.00 A.M
Mode : *Video conference and other audio-visual means
Remote : 26th September, 2021 to 28th
E-voting dates : September, 2021

*Pursuant to the General Circular Nos. 20/2020, 14/2020, 17/2020, 02/2021 of Ministry of Corporate Affairs and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 for the holding of AGM through Video Conferencing or other audio visual means in the period of COVID-19, the company opted to hold its Annual General Meeting through Video Conferencing, details of which are provided in Notice of AGM.



b. Financial Year :

Financial year of the Company comprises of twelve months i.e. 1st April, 2020 to 31st March, 2021

c. Dividend Payment :

On or before 10th October, 2021

d. Date of book closure:

18th September, 2021 to 21st September, 2021

e. Name and address of Stock Exchanges at which the securities of the Company are listed:

The National Stock Exchange of India Ltd (NSE) Exchange Plaza", Plot No. C/1 G-Block, Bandra- Kuria Complex, Bandra (East), Mumbai-400051	The BSE Limited (BSE) 25th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400 001.
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The listing fees payable to BSE and NSE for 2021-22 have been paid in full by the Company.

f. Stock code:

For trading at NSE : NAHARSPING

For trading at BSE : 500296

g. Demat ISIN number in NSDL and CDSL for Equity Shares: INE290A01027

The annual custodian fees for the financial year 2021-22 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

h. Market Price Data-high low during each month in last financial year

The Company's equity shares are listed at BSE and NSE. Accordingly the month wise High and Low stock prices from April, 2020 to March, 2021 are as follows:

Month	BSE		NSE	
	High	Low	High	Low
April, 2020	39.85	24.80	39.45	24.75
May, 2020	38.00	26.50	36.00	28.00
June, 2020	41.00	26.05	41.80	31.35
July, 2020	39.95	31.05	38.30	31.85
August, 2020	45.00	31.70	42.65	31.80
September, 2020	40.35	33.20	40.70	35.00
October, 2020	46.80	35.20	47.00	35.90
November, 2020	49.80	36.20	48.00	38.50
December, 2020	83.70	45.90	83.90	44.50
January, 2021	95.00	71.30	93.50	72.60
February, 2021	90.00	73.60	89.85	73.60
March, 2021	122.00	76.80	122.70	82.20

Source: Data has been taken from the website of the BSE and NSE. The Company does not have any other sources for verification of data.

i. Performance in comparison to broad based indices such as BSE Sensex

The Company's equity shares are listed at BSE and NSE. Accordingly, comparison between Nahar Spinning Mills Limited closing price variation and BSE Sensex in percentage from April, 2020 to March, 2021 is as under:

Year 2020-21	Share Prices of Nahar Spinning Mills Limited				BSE Sensex			
	Highest	Lowest	Closing	%age Change over last Month's Closing	Highest	Lowest	Closing	%age Change over last Month's Closing
April, 2020	39.85	24.80	37.80	45.38	33887.25	27500.79	33717.62	14.42
May, 2020	38.00	26.50	30.85	-18.39	32845.48	29968.45	32424.10	-3.84
June, 2020	41.00	26.05	35.10	13.78	35706.55	32348.10	34915.80	7.68
July, 2020	39.95	31.05	33.00	-5.98	38617.03	34927.20	37606.89	7.71
August, 2020	45.00	31.70	38.05	15.30	40010.17	36911.23	38628.29	2.72
September, 2020	40.35	33.20	37.50	-1.45	39359.51	36495.98	38067.93	-1.45
October, 2020	46.80	35.20	40.00	6.67	41048.05	38410.20	39614.07	4.06
November, 2020	49.80	36.20	46.30	15.75	44825.37	39334.92	44149.72	11.45
December, 2020	83.70	45.90	76.25	64.69	47896.97	44118.10	47751.33	8.16
January, 2021	95.00	71.30	77.00	0.98	50184.01	46160.46	46285.77	-3.07
February, 2021	90.00	73.60	82.00	6.49	52516.76	46433.65	49099.99	6.08
March, 2021	122.00	76.80	103.90	26.71	51821.84	48236.35	49509.15	0.83

Source: Data has been taken from the website of the BSE. The Company does not have any other sources for verification of data.

j. In case the securities are suspended from trading, reason thereof

The Company's securities have not been suspended from trading during the year under review.

k. Registrar to an issue and Share Transfer Agents

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002; the Company has appointed M/s Alankit Assignments Ltd. New Delhi, as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the Shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer/Transmission, Demat/Remat, Change of Address etc. to our Registrar whose address and telephone nos. etc. have already been mentioned in the Directors' Report.

In case any query/complaint remains unresolved with our Registrar, please write to the Company Secretary at the Registered Office of the Company.

Members may kindly note that the Registrar & Transfer Agent and/or the Company will not entertain request for noting of change of address/bank details/ECS mandate in case of accounts with Demat holding. For this purpose, shareholders should approach their Depository Participant.

l. Share Transfer System

The Company has constituted a Share Transfer Committee consisting of four members, namely Mr. Dinesh Oswal, Managing Director, Mr. Dinesh Gogna, Sh. S.K. Sharma Directors and Mr. Brij Sharma, Company Secretary of the Company.



Normally Share Transfer Committee meets twice in a month to approve the transfer / transmission / transposition, issue of duplicate share certificates & Dematerialization of shares and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 2013 / SEBI LODR Regulations, 2015.

As required under Regulation 40(9) of the SEBI LODR Regulations, 2015, a certificate is obtained every six months from a Practicing Company Secretary within one month from the end of each half of financial year certifying that all certificates have been issued within 15 days of their lodgment for transfer, transmission, transposition, sub-division, consolidation, renewal and exchange or endorsement. The certificate is forwarded to BSE and NSE where the Equity Shares of the Company are listed.

m. Distribution of Shareholding

As on 31st March, 2021, your Company had 26598 shareholders having a total of 3,60,65,303 Equity Shares. The following is the distribution of Shareholding:

No. of Shares Held	No. of holders	Percentage of Shareholders	Aggregate shares held	Percentage of Shareholding
1-500	23614	88.78	3181799	8.82
501-1000	1529	5.75	1171121	3.25
1001-2000	706	2.65	1047293	2.90
2001-3000	254	0.95	646065	1.79
3001-4000	109	0.41	388598	1.08
4001-5000	93	0.35	436980	1.21
5001-10000	153	0.58	1113969	3.09
10001 and above	140	0.53	28079478	77.86
Total	26598	100.00	36065303	100.00

n. Shareholding Pattern as on March 31, 2021

Shares held by	No. of Shares	Percentage of Shareholding
Banks and Mutual Funds	6,136	0.02
Central Government/ State Government(s)/ President of India	3,520	0.01
Foreign holdings (FIIs, NRIs, OCBs)	1,29,092	0.36
Trust	90	0.00
Bodies Corporate	8,13,280	2.26
Directors/Relatives of Directors	5,082	0.01
General Public	99,13,884	27.49
HUF	7,47,979	2.07
Promoter	2,39,14,824	66.31
Shares Transferred to IEPF	5,31,416	1.47
Total	3,60,65,303	100.00

o. Dematerialisation of Shares and Liquidity

The Securities and Exchange Board of India (SEBI) has included Company's scrip in compulsory Demat settlement for all type of investors. Thus, the dealing in Company's equity shares can be in Demat form only. To facilitate holding and trading of securities in electronic form, your Company has established connectivity with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). The investors have an option to dematerialize their equity shares with either of the Depositories. Shares held in demat and physical mode as on 31st March, 2021 is as follows:

Category	Number of Shareholder's	Number of Shares	% to total equity
Demat mode	19328	35233191	97.69%
Physical mode	7281	832112	2.31%
Both*	11		
Grand Total	26598	36065303	100.00%

*Pan consolidated cases of shareholders

SEBI vide its notification dated June 08, 2018 amended the Regulation 40 (1) (b) of SEBI (LODR) Regulations, 2015 whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in Dematerialized form with the Depository. Hence all members who are holding equity shares in physical form are requested to go in for dematerialisation of securities at the earliest.

p. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any Convertible Instruments, which is likely to have any impact on the equity of the Company.

q. Commodity price risk or foreign exchange risk and hedging activities

The Company is in the Manufacturing of Yarn and Garments under the main head 'Textiles'. The Company has not dealt in any commodity market and thus there is no commodity price risk. Since the Company is in the export of Yarns/Garments Business, to cover itself from exchange rate fluctuations it goes in for partial hedging by normal booking in the normal course of the business. The Company is not involved in any speculative activities.

**r. Plant Locations:**

375, Industrial Area-A, Ludhiana
427, Industrial Area-A, Ludhiana
Dhandari Kalan, G.T.Road, Ludhiana
Village Samrai, Mandideep, Distt. Raisen (M.P.)
Village Lalru and Lehli, Distt. S.A.S. Nagar (Pb.)
Village Jalalpur, Distt. S.A.S. Nagar (Pb.)
Village Jodhan, Distt. Ludhiana
Village Jitwal Kalan, Tehsil Malerkotla, Distt. Sangrur

s. Address for correspondence:

“NAHAR TOWER”
373, Industrial Area-A,
Ludhiana-141003 (Pb.)
Phone No : 0161-2665000
Fax No. : 0161-2661180, 2222942
E-mail address : secnsm@owmnahar.com
Website : www.owmnahar.com

t. Credit Ratings:

We are pleased to inform that the Credit Rating Information Services of India Ltd. (CRISIL) has intimated the revision in Company's rating outlook through credit rating report in May, 2021. It has informed that on the long term bank facilities the rating has been revised to 'Stable' from 'Negative' while reaffirming the rating at 'CRISIL A-'. The rating on the short-term bank facility has been reaffirmed at 'CRISIL A2+'.

VII. OTHER DISCLOSURES**1. Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of the Company at large:**

During the year, there are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. During the year, the Company had not entered into any contract / arrangement / transactions with related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI LODR Regulations, 2015. However, the normal sale and purchase transactions which take place in the ordinary course of business on Arm's length basis with the Group Companies are disclosed in the Notes to the Financial Statements as per applicable provisions.

2. Details of Non-compliance by the Company, penalties, strictures imposed by Stock**Exchanges or the Board or any Statutory Authority on any matter related to capital markets during the last three years:**

The Company continues to comply with the regulations of Stock Exchanges, SEBI or any statutory authority on all matters related to capital market during last three years. No penalty or strictures have been imposed on the Company by the said authorities relating to the above.

3. Details of establishment of Vigil Mechanism/ Whistle Blower Policy:

The Board, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2013, has established a Whistle Blower Policy/Vigil Mechanism for its directors and employees to report genuine concerns or grievances about the unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy. The Policy also enables the adequate safeguards against victimization of persons who use such mechanism. The Audit Committee regularly reviews the working of the Mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website and can be accessed at http://owmnahar.com/spinning/pdf/vigil_mechanism.pdf.

4. Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as prescribed in SEBI LODR Regulations, 2015. Besides, the Company has also complied with the non mandatory requirements in respect of Corporate Governance as specified Part E of Schedule II of SEBI LODR Regulations, 2015 as detailed below:

- i. Un-modified opinion(s) in audit report: The Company is already in a regime of financial statements with un-modified audit opinion.
- ii. Reporting of internal auditor: The internal auditor may report directly to the Audit Committee.

The Company is yet to comply with other non



mandatory requirements of the Corporate Governance as specified in Part E of Schedule II of the SEBI LODR Regulations, 2015.

5. Web link where policy for determining 'material' subsidiaries is disclosed:

The requirement of policy for determining 'material' subsidiaries is not applicable to the Company as it does not have any subsidiary Company.

6. Web link where policy on dealing with related party transactions is disclosed:

The Company has formulated the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, which can be accessed at <http://owmnahar.com/spinning/pdf/RPT-NAHAR-SPINNING.pdf>.

7. Disclosure of commodity price risks and commodity hedging activities:

The Company is engaged in the textiles Business and the Primary raw material for the manufacturing of the Yarns is raw cotton with the share of around 60% of total cost. The cotton being a seasonal agriculture produce, its supply, quality and prices are subject to forces of nature i.e. Monsoon. The Company purchases the raw cotton as per the Company procurement policy so that it is able to run its plant for the whole year. During the year, the Company has not dealt in any commodity market, thus there is no commodity price risk. Further, the Company is not involved in Speculative activities.

8. Details of utilization of funds raised through preferential allotment or qualified institutions placement:

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

9. Certification from Company Secretary in Practice:

Mr. P.S. Bathla, Proprietor of M/s. P.S. Bathla & Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such other authority. The certificate is attached with this Report.

10. Recommendation of Committees:

In the financial year 2020-21 the board has

accepted all recommendations of its Committees.

11. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.

12. Fees paid to Statutory Auditors:

During the year company paid an Audit fees of Rs. 13,24,900/- inclusive of Certification Charges and out of Pocket Expenses to Statutory Auditors.

13. Dividend Distribution Policy:

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 requires that top 1000 listed entities based on market capitalization shall formulate a dividend distribution policy. We would like to inform you that your Company as on 31st March, 2021 fall in top 1000 list of listed entities hence the Board of Directors in their Meeting held on 31st May, 2021 has approved and adopted the Dividend Distribution Policy to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

14. Business Responsibility Report (BRR)

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that top 1000 listed entities based on market capitalization shall submit a Business Responsibility Report in the format as specified by SEBI. The Company has attached the Business Responsibility Report with the Director's Report as Annexure VII.

15. Insurance Policy For Directors And Officers

As per Regulation 25 (10) of Listing Regulations, top 500 listed entities are required to undertake Director and officer Insurance Policy. However, company does not fall under the category of top 500 listed entities but for ensuring good Corporate governance Company has already taken Directors and Officers insurance ('D and O insurance') Policy.

16. Prevention of Insider Trading:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a



Code of practices and procedures for fair disclosure of unpublished price sensitive information” and “Code of Conduct to regulate monitor and report trading by insiders. The Code helps to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary being the Compliance Officer is responsible for implementation of the Code.

17. Reconciliation of Share Capital Audit

Pursuant to Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, every issuer company shall submit audit report on a quarterly basis for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital. The said certificate duly certified by a Practicing Company Secretary is submitted to the Stock Exchanges within 30 days of the end of each quarter.

18. CEO and CFO Certification

As required under Regulation 17(8) of SEBI LODR Regulations, 2015, a Certificate duly signed by the Managing Director and Chief Financial Officer was placed at the meeting of Board of Directors held on 31.05.2021.

VIII. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT WITH REASONS THEREOF:

The Company has complied with all the requirements of Corporate Governance Report from sub-paras (2) to (10) of Part C of Schedule V of SEBI LODR Regulations, 2015.

IX. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46 (2) (i) (b) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has complied with all the Corporate Governance requirements as specified in

Regulation 17 to 27 (except Regulation 21 and 24, which are not applicable to the Company) and Regulation 46 (2) (i) (b) of SEBI LODR Regulations, 2015.

X. CODE OF CONDUCT

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standard of transparency. Accordingly, the Company has laid down a Code of conduct for all its Board members and Senior Managerial Personnel so that conflict of interest could be avoided. The Code of Conduct suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. The code of conduct is also available on Company’s website i.e. www.owmnahar.com. The Board members and senior management personnel affirm the compliance of this Code annually. A declaration by the Managing Director/CEO in terms of SEBI LODR Regulations, 2015 to the effect that members of the Board and senior management personnel have affirmed compliance with this Code of Conduct is attached with this Report.

XI. 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

PLACE: LUDHIANA
DATED: 2ND AUGUST, 2021

JAWAHAR LAL OSWAL
(CHAIRMAN)
(DIN: 00463866)



MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all Board Members and Senior Management Personnel of the Company (as defined in the above said Regulations) have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel' for the year ended 31st March, 2021.

Place: Ludhiana
Dated: 2ND AUGUST, 2021

DINESH OSWAL
(MANAGING DIRECTOR)
(DIN: 00607290)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

(Pursuant to Clause 10 of Part C of Schedule V of SEBI (LODR) Regulations, 2015)

To

The Members of Nahar Spinning Mills Limited
Ludhiana

I have examined the relevant records of **NAHAR SPINNING MILLS LIMITED** for the purpose of certifying compliance of requirements in Clause 10 (i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2021.

In my opinion, to the best of my knowledge and belief, according to the explanations and information furnished to me and based on the written representation /declaration received from the Directors and taken on record by the Board of Directors, I certify that, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies, by the SEBI / Ministry of Company Affairs or any such statutory authority.

For P.S. Bathla & Associates
Company Secretaries

Sd/-

P.S. Bathla
(Proprietor)

FCS: 4391/CP No. 2585

PLACE: LUDHIANA
DATED: 2ND AUGUST, 2021



CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,
Nahar Spinning Mills Limited,
Ludhiana

We have examined the report of corporate governance presented by the Board of Directors of **NAHAR SPINNING MILLS LIMITED** for the year ended 31st March, 2021 as stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the same.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we hereby certify that the Company has duly complied with the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further 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 the affairs of the Company.

**For P.S. Bathla & Associates
Company Secretaries**

Sd/-

**P.S. Bathla
(Proprietor)**

FCS: 4391/CP No. 2585

**PLACE: LUDHIANA
DATED: 2ND AUGUST, 2021**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Economic Scenario**

The outbreak of COVID-19, a global pandemic impacted the economic and social activity all over the world. The widespread impact of the Covid-19 on the business environment caused significant disturbance on the economic front and decelerated the global growth. According to the International Monetary Fund's World Economic Outlook published in April, 2021, the global economy declined by 3.3%, with advanced economies shrinking by 4.7%. However, with the improvement in the Covid-19 situation and opening of Global economies global growth has been projected at 6% in 2021 moderating to 4.4% in 2022.

The Indian Economy too, was severely impacted because of the Covid-19 Pandemic. The economic implications of the COVID-19 pandemic are far reaching and has caused significant disturbance and slowdown of economic activity which in turn drastically affected India's real Gross Domestic Production (GDP). The Government and policy makers acted promptly and announced complete lockdown from 24th March, 2020 for 21 days which was further extended as per the prevailing situation in the country. The lockdown restrictions forced the industry to temporarily suspend their operations. However, with the improvement in the Covid-19 situation, the Government started opening the lockdown in stages so that the economy is put on the path of recovery as well as growth.

In compliance with the lockdown restrictions, your company also suspended the business operations of the company which in turn affected the business performance of the company during the year. After getting the necessary approval/permission from the authorities, the company partially started its operations in April, 2020 and gradually increased the capacity utilization and reached the pre COVID-19 in August, 2020. Since then, the spinning plants are running at its full capacity. We are pleased to inform that with the improvement in the business environment and opening of major economies of the world, global demand has started picking up. We are of the opinion that in the short term, the economic growth might appear to be weak but it is likely to stabilize and recover quickly. The increase in the global demand augurs well for the textiles industry and

will support the sustained improvement in the export performance. We are hopeful that the Government through its monetary policy and other policy initiatives will support the industry so that it could meet the worst period and emerge as a winner.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textile Industry is one of the largest in the World, enjoying its presence in the entire value chain i.e. cotton, yarn, fiber and apparel. India is one of the largest manufacturer and exporter in the world and has a share of 6% of global trade in textiles. The uniqueness of the industry lies in its strength both in the organized and unorganized Sector. The Textile Industry continues to play a dominant role in the economic growth of the country. Its importance is evident from the fact that it is the largest contributor towards employment generation, Industrial Output and Export earnings. The industry is sustaining livelihoods of 45 million people by providing them employment directly and another 60 million people in allied sectors, including a large number of women and rural population contributing 7% of Industry output in value terms, 2.3% of India's GDP and contributing 12% to the country's total exports earning. (Source: Annual Report 2019-2020 of Ministry of Textiles.)

We would like to inform you that the textiles industry has been severally affected ever since the implementation of the GST, post which the imports in the sector has surged especially from low cost manufacturing destinations like Bangladesh and Sri Lanka. The industry has been additionally facing hurdles due to slackness in global demand and withdrawal of various Government incentives. The outbreak of Covid-19 pandemic further aggravated the problem for the industry and is expected to decelerate the growth projection of the textile and apparel industry in India, which was once projected to grow at a CAGR of 12% to reach USD 220 billion by 2025-26 (as per the data released by the Ministry of Textiles). Due the outbreak of the pandemic, it is expected that the domestic market is seen shrinking by around 28%-30% to USD 61 billion.

The Government is fully conscious of the importance of the textile industry and the sector is going to be its key focus area in the new policies being framed so as to achieve the target of USD 5 Trillion economy. In



budget 2021-22, the Government proposed a scheme for setting up mega textile parks in the country to enable India's textile industry to become globally competitive, attracts large investments and boost employment generation through the creation of world-class infrastructure. It also announced that seven mega textile parks will be established over three years as part of the scheme. The mega textile parks will have integrated facilities and quick turnaround time for minimizing transportation losses, eyeing big-ticket investments in the sector. With such a massive level of production in the textile sector due to unprecedented boost by the Government, the textile industry is going to be the biggest beneficiary and will help the country in becoming a Global Textile Hub. Your Management is quite optimistic that Industry with the support of favorable Government Policies and Programmes will be able to increase its share in Global Textile Markets.

In line with the global trends and to remain competitive, your company continues to modernize, upgrade and expand its capacities so that it remains globally competitive in terms of cost and quality.

OPPORTUNITIES AND THREATS

We would like to inform that presently India's share in the Global Textile export is just 6% which is minuscule as compared to China's share of 38%. Thus, the Global supply chain is heavily dependent on China, as on date. The outbreak of COVID-19 pandemic, trade tension between U.S. and China coupled with geopolitical uncertainty has severely affected Chinese Textile Exports. It has provided an opportunity to the Indian Textile industry to grab the space vacated by China in the developed world especially in US and European Union.

Moreover, a number of countries around the world have understood from the COVID-19 calamity that dependence on the one country for its textiles requirements, is not a good policy. So, in the changed business scenario they have started looking for alternative production sources other than China. India should capitalize this opportunity and present itself as a credible alternative. India certainly has an edge to be an alternative manufacturing hub for global players as two major things required to run textile Industry are cotton and skilled work force and they are abundantly available in the country. More and more overseas buyers are looking at India as the next best alternative supplier of textile products and it is expected that more

orders will shift to Indian textile industry.

The post-Covid19 era has provided a big opportunity for the online textile industry. It is expected that e-retailing will prove to be a big game changer by playing a pivotal role in the recovery of the Indian economy. This is a big opportunity and the textile industry must utilize the opportunity.

The relative success of the Spinning Industry is dependent on the availability of Raw Cotton at reasonable prices. The Raw cotton is the main Raw material (constituting approx. 60% of the total cost) for the manufacture of cotton yarn and it is dependent on the Nature i.e. Good/Bad Monsoon. So availability of raw cotton at reasonable prices is crucial for the spinning Industry. Any significant change in raw cotton prices and Monsoon can affect the performance of the Industry. With the expectation of good monsoon in the country, the future of textile industry seems to be bright.

The Textile Industry is also not free from normal business risks and threats. The Outbreak of COVID-19 pandemic severally impacted the Textile industry. The prevailing situation is still uncertain and is changing dynamically. The slowdown in the Global Trade because of the Covid-19 Pandemic has affected exports of textile products. Moreover, exports continues to face stiff challenges from the small countries like Bangladesh, Sri Lanka, Taiwan and Pakistan etc., who have got the preferred treatment from the countries of European Union and U.S. The above mentioned factors have had and will continue to have a significant bearing on the financial performance of the Industry in the coming period too.

FUTURE OUTLOOK

Indian Textile Industry is one of the key industry of the country and the Government through its policies and initiatives continues to give further push to the industry so that it become global competitive and increase its global share. The industry has immense potential and can contribute to the growth of the country.

During the year under review, the Covid-19 pandemic impacted the textile industry severely. The second wave of Covid-19 in April - May, 2021 is also posing short term disturbance for the industry. However the proactive policies support from the Government coupled with Fiscal/Monetary policy of RBI has given a little bit relief to the industry. The sector needs more support so that it can enhance its competitive



advantage in terms of technology upgradation so as to achieve sustained growth in Exports as well as Domestic markets. The Industry on their part is also continuously modernizing and upgrading its Technology to maintain its core competence and convert it into the competitive edge over others.

We are quite hopeful that with the improvement in the global demand and opening of the global economies of the world will definitely give a push to the prospects of the textile industry. We are looking at the future with optimism and expects that situation will improve for better in the current financial year. We expect that in this difficult period, Government will support the Spinning industry in the form of favorable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the Industry.

RISK AND CONCERNS

No industry is free from normal business risk and concerns. Indian Textile Industry continues to face stiff competition from China, Bangladesh, Taiwan Sri Lanka and other emerging economies. The relative competitiveness of Industry is dependent upon the raw cotton prices, exchange rates and prevalent interest rates regime. The primary raw material for the manufacturing of yarn is cotton which is an agriculture produce. Its supply and quality are subject to forces of nature i.e. Monsoon. Any increase in the prices of raw cotton will make the things difficult for the Textile Industry resulting weak demand and thin margins. Thus availability of raw cotton at the reasonable prices is crucial for the spinning industry. Any significant change in the raw cotton prices can affect the performance of the Industry.

The high rate of interest is affecting the financial performance of the Textile Industry. The Spinning industry being more capital intensive requires huge funds, long term as well as short term in the form of working capital for its running. The Government must support the industry by providing cheap finance so that the industry remains financially viable. 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.

In addition to the above, the other concerns like reduction in the duty drawback, higher transaction

costs, high cost of labour, continuously increasing prices of raw material are posing a risk to the growth of Indian Textile Industry. The Government should extend a helping hand to the existing Textile Units so that they can become globally competitive and contribute towards the growth of the country.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company is maintaining an efficient and effective system of Internal Financial Control for facilitating accurate compilation of financial statements. The company's Internal Control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with procedures, laws and regulations. The Company's Internal Control system commensurate with the nature of its business and the size of its operations. In order to further strengthen the Internal Control system and to automate the various processes of the business, company is making use of Enterprises Resource Planning (ERP).

The Company has also appointed Piyush Singla & Associates, Chartered Accountants Firm, as Internal Auditors of the Company for the financial year 2021-22. The Company is also having Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the Management and suggests improvement in the systems. Internal Audit Reports are discussed with the Management. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

Apart from this, an Audit Committee consisting of three non executive directors has been constituted. All the significant audit observation and follow up action thereon are taken care of by the Audit Committee. The Audit Committee met four times during the financial year under review. The Company has also established a Vigil Mechanism as per section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

SEGMENT WISE OR PRODUCT WISE FINANCIAL OPERATION AND PERFORMANCE

The Company is operating in single segment only i.e. Textile. We wish to inform you that the year gone by



has been a very difficult and challenging year for Textiles Industry. The COVID-19 impacted Company's normal business operations. The Company experienced lot of cancellations and renegotiations in its export and local contracts. Besides, Trade tension between U.S. and China, slackness in global as well as domestic demand and fall in the prices of products impacted Company's operational and financial performance. The Company achieved a total income from operations of Rs. 2118.83 crores as against Rs.2089.98 crores in the previous year. The exports at Rs. 1146.34 crores have also shown an increase of 3.55 % over the previous year. On profitability front, the company substantially improved its performance and earned a profit before tax of Rs. 53.53 crores as against loss of Rs. 78.06 crores in the previous year. The detailed performance has already been discussed in the Director's Report under the column 'Operational Review and State of Affairs'.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Beyond Balance Sheet lies Company's singly biggest Asset Human Resources. The Company is of firm belief that the Human Resources are the driving force that propels a Company towards progress and success. The Company continued its policy of attracting and recruiting the best available talent so that it can face business challenges ahead. The Company also offers attractive compensation packages to retain and motivate the professionals so that they can give their best.

We would also like to inform you that during the challenging period of COVID-19 pandemic, Company has taken all possible steps to take care of the safety, security and health of the workers/ employees. The Company provided masks, hand sanitizer, regular body temperature checkup facility at the factory as well as office premises. The Company has also ensured that Company's factories and offices are sanitized at regular interval to safeguard its worker/ employees. The total permanent employee's strength of the Company was 10981 as on 31st March, 2021. The industrial relation continued to remain cordial during the year.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

The SEBI LODR (Listing Obligation and disclosure

requirements) (Amendment) Regulations, 2018 has mandated that Company should provide detail of Significant Changes in Key Sector Financial ratios. We would like to inform you that in the following key financial ratios there have been Significant Change as compared to the last year:

Particulars	Financial Year 2020-21	Financial Year 2019-20
INTEREST COVERAGE RATIO EBIDT/Finance Cost	3.08	1.06
DEBT EQUITY RATIO Long term debt/Equity	0.24	0.24
OPERATING PROFIT MARGIN RATIO Gross Profit/Turnover	10.97	5.12
NET PROFIT MARGIN RATIO Net Profit/Turnover	1.96	-2.55
CHANGE IN RETURN ON NET WORTH PAT/Net worth	22.45	-17.84

As the members must be aware that the year 2020-21 was a very difficult period for the textile industry because of the Covid-19 Pandemic, the subsequent lockdown and opening of lockdown in stages significantly affected the company's performance in the first half year of the Financial Year under review. The company's top line as well as bottom line was severally impacted during the said period and it suffered losses. However with the opening of Global economies and improvement in the Global demand, the company's performance started improving from October, 2020 onwards and the company has been able to put up a reasonably good performance during the year under review. The change in the interest coverage ratio, Operating Profit Margin Ratio, Net Profit Margin Ratio and Change in Return on Net Worth is because of the improvement in the financial performance of the company as compared to the previous year.

CAUTIONARY STATEMENT

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

FOR AND ON THE BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 2nd AUGUST, 2021

JAWAHAR LAL OSWAL
(CHAIRMAN)
(DIN: 00463866)



Annexure VII

BUSINESS RESPONSIBILITY REPORT
[See Regulation 34(2)(f)]

About Nahar Spinning Mills Limited

Nahar Spinning Mills Limited is engaged in manufacture and Export of cotton, synthetic and blended yarns and knitted garments.

The company is producing high quality value added Yarn for exports and has put up spinning plants at Village Jalalpur, Lalru Distt. S.A.S. Nagar, Village Jodhan, Distt. Ludhiana and Village Jitwal Kalan, Distt. Sangrur, Punjab and at Madideep, Distt. Raisen in the state of Madhya Pradesh. The present spindlage capacity of the company is 5.38 Lakhs (approx.) spindles and 1080 Rotors.

The Company's mantra "World is our markets" is truly reflected in its operations. The Company is one of the largest integrated textile player in India. The Management vision coupled with company's inherent strength in terms of cost and quality has enabled the company to become one of the largest Cotton Yarn manufacturer and exporter in India.

SECTOR-A: GENERAL INFORMATION ABOUT COMPANY

Sr. No.	PARTICULARS	INFORMATION
1.	Corporate Identify Number (CIN) of Listed Entity:	L17115PB1980PLC004341
2.	Year of Incorporation	1980
3.	Name of Listed Entity	Nahar Spinning Mills Limited
4.	Registered office address	373, Industrial Area-A, Ludhiana, Punjab-141003
5.	Corporate address	373, Industrial Area-A, Ludhiana, Punjab-141003
6.	E-mail	secnsm@owmnahar.com
7.	Telephone	91-161-2600701 to 705, 91-161-2606977 to 980
8.	Website	www.owmnahar.com
9.	Financial Year for which Reporting is being done	2020-21
10.	Name of stock exchange(s) where shares are listed	BSE Ltd & National Stock Exchange of India Limited
11.	Paid up capital	1805.31 Lakhs
12.	Sector(s) that the Company is engaged in (industrial activity code-wise)	The company is engaged in the Manufacture of Textiles sector (Code 17). The Company is engaged in manufacturing & export of Yarns and Knitted Garments
13.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	<ul style="list-style-type: none"> • Cotton Yarns & Cotton mélange Yarns • Synthetic & Blended Yarns • Knitted Garments

14.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	<ul style="list-style-type: none"> • Number of International locations: Nil • Number of National locations: 7 <ol style="list-style-type: none"> 1. 427, Industrial Area 'A', Ludhiana (Punjab) 2. Dhandari Kalan, G.T. Road, Ludhiana (Punjab) 3. Village Simrai, Mandideep, Distt. Raisen (M.P) 4. Village Lalru and Lehli, Distt. S.A.S. Nagar (Punjab) 5. Village Jalalpur, Distt. S.A.S. Nagar (Punjab) 6. Rishab Spinning Mills, Village Jodhan, Distt. Ludhiana (Punjab) 7. Nahar Fibres, Jitwal Kalan, Malerkotla, Distt. Sangrur
15.	Markets served by the Company	The company serves Local / State/National/International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) **Rs. 1805.31 Lakhs**
2. Total Turnover (INR) **Rs. 2,11,186.75 Lakhs**
3. Total profit after taxes (INR) **Rs. 4141.49 Lakhs**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
Because of the losses in the years 2017-18 & 2019-20 there was average net loss, as such the company was not required to spend any amount to CSR activities during the year under review.
5. List of activities in which expenditure in 4 above has been incurred:- **Not Applicable**

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies? : **No**
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : **NA**
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, more than 60%]: **Other Entities viz. suppliers, distributors etc. with whom the Company does**



business do not participate in the Business Responsibility initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director / Director responsible for implementation of the BR policy / policies

- 1. **DIN Number: 00607290**
- 2. **Name: Sh. Dinesh Oswal**
- 3. **Designation: Managing Director**

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number(if applicable)	00607290
2	Name	Sh. Dinesh Oswal
3	Designation	Managing Director
4	Telephone number	0161-2600701 to 705
5	e-mail id	mdoffice@owmnaahar.com

2. Principle-wise(as per NVGs) BR Policy / policies:

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P.No.	Name of Principle
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote Human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in the responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
1	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	
2	Has the policy being formulated in consultation with the relevant stakeholders? Refer Note 1	Y	Y	Y	Y	Y	Y	Y	Y	
3	Does the policy conform to any national/ international standards? If yes, specify? Refer Note 2	Y	Y	Y	Y	Y	Y	Y	Y	
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director? Refer Note 3	Y	Y	Y	Y	Y	Y	Y	Y	
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	
6	Indicate the link for the policy to be viewed online?	We have some policies available on the company's Website www.owmnaahar.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders? Refer Note 4	Y	Y	Y	Y	Y	Y	Y	Y	
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address "stakeholders" grievances related to the policy / policies? Refer Note 5	Y	Y	Y	Y	Y	Y	Y	Y	
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? Refer Note 6	Y	Y	Y	Y	Y	Y	Y	Y	

Notes:-

- 1. The policies have been formulated by taking inputs from the concerned internal / external stakeholders and are updated regularly in light of changing scenario and suggestions.
- 2. The policies are based on and are in compliance with the applicable regulatory requirements and national/international level standards. The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the



policies articulated by the Company.

- 3. The policies have been approved by the Board and have been signed by the Managing Director of the Company.
4. The policies will be communicated to key internal stakeholders of the Company.
5. Any grievance/feedback related to policies can be sent to the Company at gredressalnsml@ownnihar.com by the stakeholders.
6. Yes, the Policies are evaluated internally and updated/amended as per the changed business scenario.
(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)

Table with 10 columns (No., Questions, P 1-9) and 6 rows of questions regarding company principles and financial resources. The 'P' columns contain 'NOT APPLICABLE'.

- 3. Governance related to BR
(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Pursuant to the amendments in the SEBI (LODR) Regulations, 2015 effective from 26th December, 2019, top 1000 companies based on market capitalization are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. The company has been included in the list of top 1000 listed companies on the basis of market capitalization as on 31st March, 2021. Accordingly, this is the first year of implementation. However, the Business

Responsibility performance is assessed periodically by the management.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company is publishing Business Responsibility Report first time in the current financial year 2020-2021 as a part of Annual Report. The link for viewing the Business Responsibility Report is available on the company's website. It will be published annually in the Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

Governance:

The Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good CORPORATE GOVERNANCE is a key to success of business. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour in the organisation. The Company has a Code of Conduct for its Directors, Senior Management Personnel. Their affirmation to the Code of Conduct is communicated to all stakeholders by Managing Director, through a declaration in the Annual Report. The Company's Employees also abide by the Code of Conduct, which prohibits abusive, corrupt and unfair practices.

The Company communicates about the access of information about any decision that may impact any of the relevant stakeholders and fairly discloses all necessary legal and financial disclosures and disseminates it to the stakeholders through the Stock Exchanges, Company's website, Annual Report, Newspapers, etc.

To ensure accountability and monitoring, the Board has constituted various committees such as the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee. These committees meets periodically during the year to supervise, review performance and advice for corrective direction.

Vigil mechanism:

The Company has established a whistleblower policy/vigil mechanism to address the issues relating



to ethics, bribery, corruption, sexual harassment or any discrimination.

Vigil mechanism empowers the employees and other stakeholders who have concerns about suspected misconduct, unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or ethics policy, to come forward and express their concerns without fear of punishment or unfair treatment. The mechanism promotes responsible and secure whistleblowing and provides adequate safeguards to the whistleblower.

The Company treats any act of fraud, bribery and corruption very seriously and expects its business partners to adopt the same approach.

There were no complaints received during the reporting year under Whistle Blower Policy of the Company.

- **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:**

The Company has established a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and is cognizant of its responsibility towards protecting and maintaining the confidentiality and disclosure of price-sensitive information in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information not only conforms to the regulatory requirements but also instills a sense of responsibility among the designated persons for protecting and maintaining confidentiality.

- **Grievance redressal mechanism:**

The Company has effective grievance redressal mechanism for receiving and dealing with the concerns, complaints of its stakeholders. The buyer / consumers can raise their concerns through emails, call or personal meetings.

The Committee on Prevention of Sexual Harassment (POSH) addresses all sexual harassment complaints. The Company has received no complaints on sexual harassment during the reporting year.

Nahar Spinning Mills Limited has designated email id gredressalnsml@owmnahar.com for receiving and addressing investor grievances. The Company has received no investor grievance during the year under review and no investor grievance was pending as on March 31, 2021.

Principle 2 - Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

(a) The Company has installed 2852.40 KW roof top solar power plants at its three spinning units and thus helping in sustaining the environment. Besides, the company is using clean / green energy as it has installed boilers with bio mass fuels.

(b) The Company continued its efforts to adopt more sustainable raw material and processed to expand the offering of sustainable products. Emphasis is given on manufacturing sustainable products like 100%, organic cotton yarn and BCI yarn.

(c) The Company has a dedicated, experienced design team comprising of professional closely tracking the global trend.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

- Power consumption has been reduced from 4358 units per ton of yarn production to 4067 units per ton as compared to the previous year.

- The company is recycling and using the entire treated sewage water in process house like humidification plants and flushing of toilets.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

- The Company is using sustainable fibres like cotton, organic cotton, fair trade cotton, BCI cotton, recycled Polyester, liva (viscose), modal, tencel and bamboo fibre. We have consumed more than 50% sustainable fibre of the total fibre consumed.

- The Company ensures that the dyes and chemicals in dye house are Azo free, NPEO and APEO phenyls, formaldehyde free.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve



their capacity and capability of local and small vendors?

- The Company's spinning units procures goods like Paper Cones, LDPE / HDPE bags, Cartons, Separators, Wooden Pallets and other packaging materials from local vendors apart from all the daily consumables which are available in the local market.
- The Transport services are also being sourced from local as well as nearby areas.
- The Company tries to procure Raw Cotton / Organic cotton from local vendors.
- Further, the Services like Security, Canteen operation, Housekeeping, Horticulture, Loading & Unloading of material, Fabrication job, Vehicles repairs, Office Equipment's repairs, etc. are availed from local vendors / persons.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- For a few varieties of Mèlange Yarn products, 20-25% usable waste is used, which is acceptable to the market.
- For open End yarns 40-60% useable waste is used which is acceptable to the market.
- ETP sludge is being dried and sent to Ramky Enviro Engineers Limited (Unit – Punjab Waste Management Project) in notified place, at Village Ninbuva, Tehsil Derabassi, Distt. Mohali, Punjab for storage of sludge.
- Micro dust generated from Cotton is being used in the boilers and in case of excess availability it is being sold by the company.
- Waste water is treated and recycled back into process for resource conservation

Principle 3 - Business should promote the well-being of all employees

Beyond Balance Sheet lies Company's singly biggest Asset Human Resources. The Company is of firm belief that the Human Resources are the driving force that propels a Company towards progress and success. The Company continued its policy of attracting and recruiting the best available talent so that it can face business challenges ahead. The Company also offers attractive compensation packages to retain and motivate the professionals so that they can give their best.

The Company's continuous endeavor is to provide a

safe, productive and positive environment for our employees that are free from any form of discrimination, including but not limited to sexual harassment. The company always supports its workforce so that they can maintain a healthy work-life balance and develop their professional as well as personal skills.

The Company endeavors to provide equal opportunity to each individual by evaluating him/her on its performance and ensure that there is no discrimination amongst its employees based on caste, creed, religion, disability, gender, age, sexual orientation, race, colour, ancestry, marital status and medical background. The Company has received no complaints related to Sexual harassment, Discriminatory employment, child labour, forced labour or any form of involuntary work.

Employees Strength of Company as on March 31, 2021, was as under:-

Total Strength	No. of Male Employees	No. of Female Employees
10981	8057	2924

Out of the above, 22 permanent employee are with disabilities.

The HR policies of Company ensure that there is no child labour, forced labour or any form of involuntary work, at any of its premises.

The Company did not hire any employee on contract basis in the financial year 2020-21, and no worker/ labour unions existed as on March 31, 2021.

During the year under review, the Company has conducted various training programmes, designed to meet the changing skill requirements of our employees. These programmes include orientation sessions for new employees, programmes conducted by various skill-enhancing, role-specific functional academies, leadership programmes and other management development programmes for mid-level and senior executives. Majority of the permanent Employees were part of these training programmes.

The detail of Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year is as under:

No.	Category	No of complaints filed during the Financial year	No of complaints pending as on end of The financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

**Principle 4 - Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

The Company has mapped its internal as well as external stakeholders and carries out engagements with investors, employees, clients and business partners, etc.

● Engaging with Investors / stakeholders

The interaction with the stakeholders and investors is done through result announcement, Annual Reports and meeting. The company website is quite useful for communication with the stakeholders and investors. Moreover, the Annual General Meeting (AGM) provides the Shareholders an opportunity to engage directly with the Directors and the Management. During AGM, the Directors engage with Shareholders and answer their queries on varied subjects. The internal stakeholders, like employees of the Company, are identified through surveys and regular engagements.

● Engaging with Government and Regulators:

Your Company interacts with various Government authorities and statutory bodies as and when required, during the course of its business and maintains statutory records and ensure compliances of the applicable Laws, Rules and Regulations.

● Employee Engagement:

Your Company engages with its employees irrespective of rank and file across the organization, and organises various programs and activities to boost their morale, provide equal opportunities for them to nurture talent and develop their creativity.

● Disadvantaged, Vulnerable & Marginalized Stakeholders:

The Company tries to identify the disadvantaged, vulnerable and marginalized stakeholders through need assessment and engage with such marginalized communities through CSR Activities.

The Company is committed to the welfare of disadvantaged, vulnerable and marginalized section of the society. The Company through self and in association with M/s Oswal Foundation has taken special initiatives for the benefit of local communities and other disadvantaged and marginalized stakeholders. The Company's endeavour is to help them in Healthcare, Education, and Sustainable Livelihood etc. All the projects undertaken CSR activities are based on the needs of the communities. The Company's vision, in a nutshell, epitomizes inclusive growth and dignifying the lives of the underprivileged.

Principle 5 -Business should respect and promote Human Rights

The Company advocates the supremacy of Human Rights, and all its policies acknowledge the same principle. Your Company's human rights policy recognizes the following priority issues:

Compliance with applicable labour laws, zero tolerance to the child, forced or compulsory labour in operations and supply chains, equal opportunity, provide opportunities for all employees to express concerns and seek redressal, health and safety of our employees.

No complaints were received regarding human rights violation during the financial year under review.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

As a responsible corporate entity, company is fully aware of its obligation and responsibility to maintain highest standard of Environmental Management, as the Climate changes and Global Warming are posing great threat to the global environment and to the Human kind.

● Clean Technology

The Company endeavours to impact the environment positively with cleaner production methods, use of energy-efficient and environment-friendly technologies. We are continually investing in new technologies, implementing process improvements and innovating. At Nahar Spinning Mills Limited, the company is investing in new technology and ultra modern machinery and equipment having low energy consumption. The Company's efforts have also been recognized by (PEDA) by awarding 2nd prize to our Spinning Unit-2 (at Lalru Distt Mohali) under the category of Energy Intensive Industries (sub category of Textiles) at the State Level Energy Conservation Award Competition 2019-20 by Punjab State Energy Conservation Award Competition.

● Energy Efficiency / Renewal Energy

The Company is making use of clean / green energy in our spinning units. The Company has already set up three Roof top solar projects at its Spinning Units One at Village Jodhan, Distt. Ludhiana, Second at Village Lalru and Lehli, Distt. S.A.S. Nagar and the third at Village Mandideep, Distt. Raisen in the state of Madhya Pradesh. These solar plants have contributed in sustaining the environment. The other initiatives taken by the Company for energy efficiency are detailed in Annexure IV to the 'Directors' Report included in the Annual Report for FY 2020-21.

The Emissions/ Waste generated by the Company



are within the permissible limits given by Pollution Control Board for the financial year. There is no show cause / legal notice received from Pollution Control Board, which is pending as at the end of the financial year in relation to non-compliance with environmental laws and regulations.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

The Company appreciates the importance of trade associations. Trade associations provide a forum for information sharing and discussion with both trade association officials and representatives of various sectors. The Company participates in the discussions, meetings and seminar organized by the various associations and actively put forth its viewpoint on various policy matters and inclusive development policies. The Company utilizes these forums for pushing new policy initiatives.

Your Company is a member of the following Trade associations:

1. Federation of Indian Export Organizations (FIEO)
2. Apparel Export Promotion Council
3. Confederation of Indian Industry [CII]
4. The Cotton Textiles Export Promotion Council (TEXPROCIL)
5. The Synthetic and Rayon Textiles Export Promotion Council (SRTEPC)

Principle 8 - Businesses should support inclusive growth and equitable development

As a responsible organization focused on inclusive growth, your Company has followed a proactive approach towards Corporate Social Responsibility (CSR).

The Company has a detailed CSR policy in place, and the CSR activities are monitored by the Board appointed CSR committee. The company has been undertaking CSR projects through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The key focus areas of Company's CSR programs are the promotion of education, preventive healthcare, rural development, skill enhancement, environment protection and other areas as defined in Schedule VII of the Companies Act 2013.

In 2018-19, the Company spent 83.49 Lakhs as prescribed under Section 135 of the Companies Act, 2013. However, in the year 2019-20 because of the losses in the years 2017-18 & 2019-20 there was average net loss and the company could not spend any

amount to CSR activities. The details of the CSR initiatives undertaken by your Company are set out in the Annexure I to the Directors' Report included in the Annual Report.

The Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

Principle 9- Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company places its customers at the centre of all its business policies and conducts. The Company strive to continue growth by adopting national and international standards and embracing ethical means in harmony with the environment, ensuring customer delight, stakeholder trust and social responsibility.

Customers' satisfaction is the Company's goal, which motivates the Company to keep its products as per the consumers requirements. To understand the customers better, the Company adopts several procedures including customer surveys, customer audits and direct feedback.

The Company organizes buyer meets for better market research and customer service. Feedback is also taken by the management during the visit of Customers at the manufacturing facilities. This helps the Company in preparing and planning the future business policies / programmes / strategies. We deliver value by anticipating changes in customer's desired needs.

1. Pending complaints at the end of financial year is Nil
2. The company discloses all the product information on our labels in compliance with the legal requirements and the requirements of our customers as per the applicable law in the country.
3. There is no case pending against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years.
4. The company always engages with its customers and carries out the consumer surveys for company's products to know their satisfaction level so that corrective action / steps if any may be taken to enhance their satisfaction level.

FOR AND ON THE BEHALF OF THE BOARD

**PLACE: LUDHIANA
DATED: 2nd AUGUST, 2021**

**JAWAHAR LAL OSWAL
(CHAIRMAN)
(DIN: 00463866)**



INDEPENDENT AUDITOR'S REPORT

**To The Members of
Nahar Spinning Mills Limited
LUDHIANA
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of Nahar Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our

professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no key matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report, but does not include the standalone financial statements and our auditors' report thereon. The Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report 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.
 - 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For YAPL & Co.
Chartered Accountants
FRN 017800N

PLACE: LUDHIANA
DATED: 31st May, 2021

Sakshi Garg
(Partner)
Membership No.553997
UDIN: 21553997AAAACY4778

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NAHAR SPINNING MILLS LIMITED 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”)**

We have audited the internal financial controls over financial reporting of **NAHAR SPINNING MILLS LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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.

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, to the best of our information and according to the explanations given to us, 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, 2021, 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 YAPL & Co.
Chartered Accountants
FRN 017800N

PLACE: LUDHIANA
DATED: 31st May, 2021

Sakshi Garg
(Partner)
Membership No.553997
UDIN: 21553997AAAACY4778

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **NAHAR SPINNING MILLS LIMITED** of even date)

i. In respect of the Company's fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the records of the company, conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company.

- ii. The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on the physical verification.
- iii. The Company has not granted any loans to any bodies corporate/firms/parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 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. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:



Nature of the statute	Nature of dues	Forumwhere Dispute is Pending	Period to which the Amount Relates	Amount Rs.(in Lacs)
The Income Tax Act, 1961	Income Tax	CIT(A), Ludhiana	A.Y. 2011 -2012	316.53
		CIT (A), Ludhiana	A.Y. 2015-2016	46.78
		CIT (A), Ludhiana	A.Y. 2016-2017	11.43
		CIT (A), Ludhiana	A.Y. 2012-2013	0.14
Central Excise Act, 1944	Excise Duty	High Court of Jabalpur	F.Y. 2000 -2003	17.47
The Customs Act, 1962	Drawback	High Court of Jabalpur	F.Y. 2006 -2007	0.93
MP Commercial & Vat Act	Entry Tax	Appellate Tribunal	F.Y 2009-2010	2.94

- viii. The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans raised during the year were applied for the purpose they were raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For YAPL & Co.
Chartered Accountants
FRN 017800N

PLACE: LUDHIANA
DATED: 31st May, 2021

Sakshi Garg
(Partner)
Membership No.553997
UDIN: 21553997AAAACY4778

**BALANCE SHEET AS AT 31st MARCH, 2021**

(Rs In Lacs)

PARTICULARS	NOTE NO	As at 31st March 2021	As at 31st March 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	1.1	71,627.08	74,777.78
b) Capital work-in-progress		2,766.28	682.44
c) Other intangible assets	1.2	12.48	20.57
d) Investment properties	1.3	759.56	799.53
e) Financial assets			
i) Investments	2.1	6,132.02	2,218.37
ii) Loans	2.2	2,529.82	2,452.92
iii) Other financial assets	2.3	-	-
f) Other non-current assets	3	830.85	2,027.15
		<u>84,658.09</u>	<u>82,978.76</u>
Current assets			
a) Inventories	4	74,039.44	65,019.76
b) Financial assets			
i) Trade receivables	5.1	30,943.54	27,159.87
ii) Cash and Cash equivalents	5.2	106.09	371.26
iii) Bank balances other than (ii) above	5.3	69.62	80.74
iv) Other financial assets	5.4	68.31	66.35
c) Government grant receivable	6	1,341.92	1,419.19
d) Current tax assets (net)	7	1,028.19	62.88
e) Other current assets	8	27,951.79	13,391.32
		<u>135,548.90</u>	<u>1,07,571.37</u>
TOTAL ASSETS		<u>220,206.99</u>	<u>1,90,550.13</u>
EQUITY AND LIABILITIES			
a) Equity Share capital	9	1,805.31	1,805.31
b) Other equity	10	87,985.57	80,108.28
		<u>89,790.88</u>	<u>81,913.59</u>
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	11.1	19,111.71	16,858.08
ii) Other financial liabilities	11.2	--	44.05
b) Deferred tax liabilities (Net)	12	2,295.62	579.29
c) Other non-current liabilities	13	--	1.12
		<u>21,407.33</u>	<u>17,482.54</u>
Current liabilities			
a) Financial liabilities			
i) Borrowings	14.1	85,684.32	72,879.38
ii) Trade and other payables	14.2		
---total Outstanding dues of micro enterprises and small enterprises		227.89	145.26
---total Outstanding dues of creditors other than micro enterprises and small enterprises		2,987.46	2,636.78
iii) Other financial liabilities	14.3	2,642.62	2,717.97
b) Other current liabilities	15	17,215.56	12,713.66
c) Provisions	16	250.93	60.95
		<u>1,09,008.78</u>	<u>91,154.00</u>
TOTAL EQUITY AND LIABILITIES		<u>2,20,206.99</u>	<u>1,90,550.13</u>

As per our Report of even date annexed

For & On behalf of the Board

For YAPL & COMPANY
Chartered Accountants,
FRN 017800NSAKSHI GARG
Partner
(M.No. 553997)
Place : LUDHIANA
Date : 31.05.2021
UDIN:21553997AAAACY4778BRIJ SHARMA
Company SecretaryANIL GARG
CFOS.K SHARMA
Director
(DIN. 00402712)DINESH OSWAL
Managing Director
(DIN. 00607290)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH ,2021**

(Rs In Lacs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
I. Revenue from operations	17.1	2,10,781.54	2,08,034.84
II. Other operating revenue	17.2	405.21	235.40
III. Other Income	18	696.49	727.90
Total income(I+II+III)		2,11,883.24	2,08,998.14
IV. Cost of materials consumed	19	132,433.06	1,30,570.01
Purchases of stock-in-trade	20	292.27	471.72
Change in inventories of finished goods, work -in-progress and stock in trade	21	(1,913.10)	4,761.94
Employee Benefit expense	22	19,002.96	22,951.42
Finance cost	23	6,526.17	6,264.75
Depreciation and amortisation expense	1	8,201.84	8,163.95
Other expenses	24	41,986.55	43,536.82
Total Expenses		2,06,529.75	2,16,720.61
V. Profit/(loss) before exceptional items and tax		5,353.49	(7,722.47)
VI. Exceptional items			
CSR expenses u/s 135 of Companies Act,2013		--	83.49
VII. Profit/(loss) before tax		5,353.49	(7,805.96)
VIII. Tax expense:	25		
(1) Current tax		--	--
(2) Deferred tax assets / liabilities		(1,212.00)	2,500.00
IX. Profit/(loss) for the period from continuing operations		4,141.49	(5,305.96)
Other comprehensive income		3,792.17	(150.38)
Items that will not be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments		4,131.81	(599.71)
Remeasurement of post-employment benefit obligations		164.69	531.65
Income tax relating to these items		(504.33)	(82.32)
Other comprehensive income for the year, net of tax		3,792.17	(150.38)
X. Profit/(loss) for the period		7,933.66	(5,456.34)
Earnings per equity share			
(Refer note 38)			
Basic earnings per share		11.33	(14.41)
Diluted earnings per share		11.33	(14.41)

As per our Report of even date annexed

For YAPL & COMPANYChartered Accountants,
FRN 017800N**For & On behalf of the Board****SAKSHI GARG**Partner
(M.No. 553997)

Place : LUDHIANA

Date : 31.05.2021

UDIN:21553997AAAACY4778

BRIJ SHARMA

Company Secretary

ANIL GARG

CFO

S.K SHARMADirector
(DIN. 00402712)**DINESH OSWAL**Managing Director
(DIN. 00607290)

**CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL, 2020 TO 31ST MARCH, 2021**

(Rs In Lacs)

PARTICULARS	Current Year	Previous Year
Cash Flow from Operating Activities		
Net Profit Before Tax and Extra ordinary activities	5,353.49	(7,805.96)
Adjustments for :		
Depreciation	8,201.84	8,163.95
Finance Cost	6,526.17	6,264.75
Interest received	(182.10)	(237.92)
Dividend Income	(47.93)	(54.59)
Net Gain on Sale of Investments	(4.57)	(6.51)
Profit/ Loss on sale of Fixed Assets/ subsidiaries adjustments	(118.94)	(119.73)
	<u>14,374.47</u>	<u>14,009.95</u>
Operating Profit before Working Capital Changes	19,727.96	6,203.99
Adjustment for:		
-Trade Receivables	(3,783.67)	3,576.58
-Inventories	(9,019.68)	(2,470.05)
-Other financial assets	(1.96)	(14.76)
-Long Term Loans & Advances	(76.90)	2.87
-Govt grant receivables	77.27	(52.29)
-Other current assets	(14,560.47)	(961.80)
-Provisions	354.67	85.26
-Other current liabilities	4,501.90	4,777.46
-Other non current liabilities	(1.12)	(1.07)
-Other financial Liabilities	(3.59)	(3.40)
- Other financial Liabilities (long Term)	(44.05)	(2.26)
- Trade Payables	433.31	(54.84)
	<u>(22,124.29)</u>	<u>4,881.70</u>
Cash Generated from Operations	(2,396.33)	11,085.69
Interest paid	(5,113.01)	(4,924.48)
Direct Taxes Paid/adjusted	(1,021.69)	(43.77)
	<u>(6,134.70)</u>	<u>(4,968.25)</u>
Net cash flow from operating Activities	(8,531.03)	6,117.44
Cash Flow from investing activities		
Purchase of Fixed Assets	(5,150.06)	(9,095.01)
Capital Work in Progress	(2,083.84)	627.31
Sale of Fixed Assets	265.92	166.30
Increase/Decrease in Other non current assets	1,196.30	825.87
Sale of Investments	300.00	365.71
Interest Received	182.10	237.92
Dividend Income	47.93	54.59
Increase in Investment	(77.27)	(988.42)
	<u>(5,318.92)</u>	<u>((7,805.73)</u>
Net cash used in investing activities	(13,849.95)	(1,688.29)
Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	4,836.58	12,896.48
Repayment of Long Term Borrowings	(2,654.70)	(6,005.63)
Increase/Decrease in Short Term Borrowings	500.00	3,300.00
Increase/Decrease in Working Capital Limits	12,304.94	(6,465.45)
Interest Paid	(1,413.16)	(1,340.27)
Dividend Paid	--	(360.65)
Corporate Dividend Tax Paid	--	(74.13)
	<u>13,573.66</u>	<u>1,950.35</u>
Net Cash Used in Financing Activities	13,573.66	1,950.35
Net Increase in Cash & Cash Equivalents	(276.29)	262.06
Opening Cash and Cash Equivalents and other bank balances	452.00	189.94
Closing Cash and Cash Equivalents and other bank balances	175.71	452.00

As per our Report of even date annexed

For YAPL & COMPANYChartered Accountants,
FRN 017800N

For & On behalf of the Board

SAKSHI GARG

Partner

(M.No. 553997)

Place : LUDHIANA

Date : 31.05.2021

UDIN:21553997AAAACY4778

BRIJ SHARMA

Company Secretary

ANIL GARG

CFO

S.K SHARMA

Director

(DIN. 00402712)

DINESH OSWAL

Managing Director

(DIN. 00607290)



Statement of Changes in Equity for the Year ended 31st March 2021

(Rs in Lacs)

Particulars	As at 31st March 2021	As at 31st March 2020
A. Equity Share Capital		
Balance at the beginning of the Financial year	1805.31	1805.31
Changes in Equity Share Capital during the year	-	-
Balance at the end of the Financial year	<u>1805.31</u>	<u>1805.31</u>

B. Other Equity

Particulars	Reserve & Surplus				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total Equity
Balance at 01 April 2020	20,959.85	1,363.86	53,057.90	4,726.67	80,108.28
Profit / (Loss) for the year	-	-	-	4,141.49	4,141.49
Other comprehensive income (Net)	-	-	-	3,792.17	3,792.17
Total comprehensive income for the year	-	-	-	7,933.66	7,933.66
Adjustment for income tax of earlier years	-	-	-	(56.37)	(56.37)
Balance as at March 31, 2021	20,959.85	1,363.86	53,057.90	12,603.96	87,985.57

Particulars	Reserve & Surplus				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total Equity
Balance at 01 April 2019	20,959.85	1,363.86	53,057.90	10,509.26	85,890.87
Profit / (Loss) for the year	-	-	-	(5,305.96)	(5,305.96)
Other comprehensive income (Net)	-	-	-	(150.38)	(150.38)
Total comprehensive income for the year	-	-	-	(5,456.34)	(5,456.34)
Dividend	-	-	-	(360.65)	(360.65)
Tax on Dividend	-	-	-	(74.13)	(74.13)
Adjustment for income tax of earlier years	-	-	-	108.53	108.53
Balance as at March 31, 2020	20,959.85	1,363.86	53,057.90	4,726.67	80,108.28

As per our Report of even date annexed

For YAPL & COMPANY

Chartered Accountants,
FRN 017800N

For & On behalf of the Board

SAKSHI GARG

Partner
(M.No. 553997)

Place : LUDHIANA

Date : 31.05.2021

UDIN:21553997AAAACY4778

BRIJ SHARMA

Company Secretary

ANIL GARG

CFO

S.K SHARMA

Director
(DIN. 00402712)

DINESH OSWAL

Managing Director
(DIN. 00607290)



(Rs In Lacs)

NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	NET BLOCK
	As at 1st April 2020	Additions	Disposals/ Adjustments	As at 1st April 2020	Additions	Disposals/ Adjustments	As at 31 March 2021	31 March 2021
1.1 Property, Plant and equipment:								
Freehold Land	15395.74	-	-	-	-	-	-	15,395.74
Building	31678.79	3.16	-	6079.21	1282.60	-	7,361.81	24,320.14
Plant & Machinery	70009.03	5016.35	128.52	37637.82	6576.79	0.67	44,213.94	30,682.92
Vehicles	851.13	48.20	141.89	510.99	88.52	122.76	476.75	280.69
Office Equipment	1210.20	77.80	-	524.65	125.87	-	650.52	637.48
Furniture & Fixtures	821.06	4.55	-	435.50	80.00	-	515.50	310.11
Total (A)	1,19,965.95	5,150.06	270.41	45,188.17	8,153.78	123.43	53,218.52	71,627.08
1.2. Intangible Assets								
Software	61.05	-	-	40.48	8.09	-	48.57	12.48
Total (B)	61.05	-	-	40.48	8.09	-	48.57	12.48
Total(A+B)	1,20,027.00	5,150.06	270.41	45,228.65	8,161.87	123.43	53,267.09	71,639.56
1.3. Investment Properties:								
Buildings and related equipments	1028.43	-	-	228.90	39.97	-	268.87	759.56
Total (A)	1,028.43	-	-	228.90	39.97	-	268.87	759.56

31.03.2021

31.03.2020

Fair Value of Investment Properties

Rental Income Received/Receivables from Investment properties

Direct expense (including repair & maintenance) for generating rental income

2,519.44

2,295.45

113.83

59.84

23.63

31.56



Note No.	Particulars	As at 31 March 2021		As at 31 March 2020	
Financial Assets					
2.1. Investments					
Investment at fair value through profit or loss		No.of Units	Amount	No.of Units	Amount
Investment in Equity instruments					
i)	MOIL Ltd. (Equity Shares of Rs.10/- each fully paid up)	3784	5.70	3784	3.88
ii)	Punjab & Sind Bank (Equity Shares of Rs.10/- each fully paid up)	4893	0.86	4893	0.54
iii)	Reliance Capital Ltd (Equity Shares of Rs 10/- each fully paid up)	3700	0.40	--	--
iv)	Jaiprakash Associates Ltd. (Equity Shares of Rs 2/- each fully paid up)	37000	2.55	--	--
v)	Jaiprakash Power Venture Ltd (Equity Shares of Rs 10/- each fully paid up)	81000	2.63	--	--
Investment at fair value through other comprehensive income					
Investment in Equity instruments					
i)	Nahar Capital & Financial Services Ltd. (Equity Shares of Rs. 5/- each fully paid up)	577856	603.86	577856	297.31
ii)	Nahar Poly Films Ltd. (Equity Shares of Rs 5/- each fully paid up)	4248813	4694.94	4248813	1104.69
iii)	Shree Panchvati Co-Operative Housing Society Ltd (Equity Shares of Rs.50/- each fully paid up)	10	0.005	10	0.005
iv)	Sankeshwar Holding Company Ltd (Equity Shares of Rs 10/-each fully paid up)	95750	257.49	--	--
Investment in Government securities					
i)	7.39% Housing and Urban Development Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	7007	85.42	7007	81.14
ii)	7.39% Housing and Urban Development Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	15058	188.10	15058	173.47
iii)	7.35% Indian Railway Finance Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	5878	71.74	5878	66.26
iv)	7.35% National Bank for Agricultural and Rural Development. (Tax free Bonds of Rs.1000/- each fully paid up)	10020	121.04	10020	111.75
v)	7.35% National Highways Authority of India. (Tax free Bonds of Rs.1000/- each fully paid up)	7709	97.28	7709	90.58
Investment in Redeemable Preference Shares					
i)	L&T Finance Holdings Ltd. (Preference Shares of Rs.100/- each fully paid up)	--	--	300000	288.75
TOTAL			<u>6132.02</u>		<u>2218.37</u>
(a) Aggregate amount of quoted investments and market value thereof;			5874.52		2218.37
(b) Aggregate amount of unquoted investments; and			257.50		0.005
(c) Aggregate amount of impairment in value of investments.			-		-



Note No.	Particulars	As at 31 March 2021	As at 31 March 2020
2.2.	Loans		
	Loans	—	—
	Security deposits		
	- Secured, considered good	—	—
	- Unsecured, considered good	2529.82	2452.92
	Total	2529.82	2452.92
2.3.	Other Financial assets		
		—	—
	Total	—	—
3.	Other Non Current Assets		
	Capital advances	824.04	2018.08
	Prepaid rent	6.81	9.07
	Total	830.85	2027.15
	CURRENT ASSETS		
4.	Inventories (Ref note 26(h))		
	Raw Materials	54591.94	47152.29
	Raw Materials (Goods in Transit)	122.72	86.69
	Work in Process	4722.70	4635.53
	Finished Goods	11778.40	10118.20
	Stock-in-Trade	16.47	29.90
	Stores & Spares	1635.47	2018.79
	Stores & Spares (Goods in Transit)	14.23	0.01
	Waste & Rejections	1157.51	978.35
	Total	74039.44	65019.76
	Financial Assets		
5.1.	Trade Receivables		
	Unsecured Considered good unless otherwise stated	30943.54	27159.87
	Doubtful	—	—
	Less: Provision on doubtful debts	—	—
	Total	30943.54	27159.87
5.2.	Cash and Cash Equivalents-		
	Balance with banks	63.44	320.88
	Cash in hand	23.45	41.67
	Cheque in hand	—	8.71
	Deposits with maturity less than three months	19.20	—
	Total	106.09	371.26
5.3.	Other bank balances		
	Unpaid Dividend account	69.02	78.79
	Deposits with maturity more than three months but less than twelve months	—	1.50
	Others	0.60	0.45
	Total	69.62	80.74



Note No.	Particulars	As at 31 March 2021	As at 31 March 2020
5.4.	Other financial assets		
	Advances to employees	<u>68.31</u>	<u>66.35</u>
	Total	<u>68.31</u>	<u>66.35</u>
6.	Government grant receivables		
	Government grant receivable	<u>1341.92</u>	<u>1419.19</u>
	Total	<u>1341.92</u>	<u>1419.19</u>
7.	Current tax assets (Net)		
	Advance income tax/TDS/TCS	<u>4233.07</u>	<u>3267.76</u>
	Income Tax Refund Receivable	<u>45.12</u>	<u>45.12</u>
	Less: Provision for income tax	<u>(3250.00)</u>	<u>(3250.00)</u>
	Total	<u>1,028.19</u>	<u>62.88</u>
8.	Other Current Assets		
	Prepaid expenses	<u>729.11</u>	<u>790.56</u>
	Prepaid rent	<u>2.27</u>	<u>1.09</u>
	Advance to suppliers (Recoverable in Cash or kind)	<u>16352.59</u>	<u>1968.98</u>
	Balances with Government authorities	<u>10187.11</u>	<u>9964.19</u>
	GST Deposited Under Protest (Ref Note 30(ix))	<u>500.00</u>	<u>500.00</u>
	Others	<u>180.71</u>	<u>166.50</u>
	Total	<u>27951.79</u>	<u>13391.32</u>
EQUITY AND LIABILITIES			
9.	Equity Share Capital		
A)	Authorised		
	60,000,000 (Previous year 60,000,000) equity shares of Rs. 5 each	<u>3000.00</u>	<u>3000.00</u>
B)	Issued, subscribed and fully paid up		
	36,065,303 (Previous year 36,065,303) equity shares of Rs. 5 each fully paid up	<u>1803.27</u>	<u>1803.27</u>
	Add : Share forfeited	<u>2.04</u>	<u>2.04</u>
	Total	<u>1805.31</u>	<u>1805.31</u>
a)	Terms/rights attached to equity shares		
	The company has only one class of shares having par value at Rs. 5/-per share. Each holder of equity shares is entitled to one vote per share.		
b)	Reconciliation of number of shares		
	Number of shares at the beginning of the Financial year	<u>3,60,65,303</u>	<u>3,60,65,303</u>
	Add: Shares Issued During the year	<u>-</u>	<u>-</u>
	Less: Share buy back during the year	<u>-</u>	<u>-</u>
	Number of shares at the end of the Financial year	<u>3,60,65,303</u>	<u>3,60,65,303</u>



Note. Particulars No.	As at 31st March 2021		As at 31st March 2020	
	No. of shares	% age	No. of shares	% age
c) Detail of shareholders holding more than 5% shares				
1. Nahar Capital and Financial services Limited	1,63,56,574	45.35	1,62,16,574	44.96
2. Nahar Poly Films Limited	69,02,244	19.14	69,02,244	19.14
d) Forfeited Shares (amount originally paid up)				
	Amount Paid Up	No. of shares		No. of shares
	Rs.2.50 per Share	80,298		80,298
	Rs.5.00 per Share	710		710
10. Other Equity				
A) Security premium reserves				
Balance as per Last Balance Sheet	20959.85		20959.85	
Add : Additions during the year	-		-	
Balance as at the year end	20959.85		20959.85	
B) Capital reserves				
Balance as per Last Balance Sheet	1363.86		1363.86	
Add : Additions during the year	-		-	
Balance as at the year end	1363.86		1363.86	
C) General reserves				
Balance as per Last Balance Sheet	53057.90		53057.90	
Add : Additions during the year	-		-	
Balance as at the year end	53057.90		53057.90	
D) Retained Earning/Surplus				
Balance as per Last Balance Sheet	4726.67		10509.26	
Profit/(Loss) Transfer from Profit & Loss A/c	4,141.49		(5,305.96)	
Other Comprehensive Income for the Year (Net)	3,792.17		(150.38)	
Add/Less: Adjustment of Income Tax earlier Years	(56.37)		108.53	
Less: Dividend	-		360.65	
Less: Tax on Dividend	-		74.13	
Balance as at the year end	12603.96		4726.67	
Total	87985.57		80108.28	



Note. Particulars No.	As at 31st March 2021	As at 31st March 2020
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NON CURRENT LIABILITIES**Financial Liabilities****11.1. Borrowings****a) Term loans from banks- Secured**

1. From Punjab National Bank	778.31	1217.90
2. From Punjab National Bank (E-OBC)	4502.18	2176.46
3. From ICICI Bank	8688.97	9763.72

b) Covid - 19 Facility

1. From Punjab National Bank	874.37	--
2. From State Bank of India	567.88	--

c) Inter Corporate Deposits (Unsecured Loans)

From Related Parties	3700.00	3700.00
Total	19111.71	16858.08

Nature of security**1. PUNJAB NATIONAL BANK**

Term Loan of Rs. 2175 Lacs is Secured by first Pari-Passu Charge with other term lenders by way of hypothecation of all the fixed assets of the company both present and future. The Term Loan is personally guaranteed by three Directors of the Company.

Terms of Repayment

- Term Loan is repayable in quarterly installments by 30/06/2024. Rate of Interest 31.03.2021, 9.15% p.a and 31.03.2020, 9.15% p.a.

2. PUNJAB NATIONAL BANK (E-OBC)

- Term Loan of Rs 6600 Lacs is secured by Plant & Machinery to be purchased out of the proposed term loan. Second charge on entire block of assets of the company inclusive of all units pertaining to the erstwhile NEL (Nahar Export Ltd) to be shared on pari-passu basis with the Consortium member Banks. (Except the assets financed by SBI at Lalru/Lehli and assets financed by ICICI bank.)
The Term Loan is personally guaranteed by three Directors of the Company.

-Term Loan is repayable in quarterly installments by 31/03/2027. Rate of Interest 31.03.2021, 9.15% p.a and 31.03.2020, 9.40% / 9.60% p.a

3. ICICI BANK

Term Loan of Rs. 11300 Lacs is Secured by first Pari-Passu Charge on movable fixed assets of the Company both present and future.
- First pari-passu charge over immovable fixed assets i.e Land & Building, measuring 52.20 acres (Mortgage) situated at village simrai mandideep, M.P.
- Second pari-passu charge over all the current assets of the company both present and future
The Term Loan is personally guaranteed by three Directors of the Company.

- Term Loan is repayable in quarterly installments by 31/03/2025.
Rate of Interest 31.03.2021, 8.45% p.a.,
31.03.2020, 9.35% p.a

11.2. Other financial liability

Retention money	--	44.05
Total	--	44.05



Note. Particulars No.	As at 31st March 2021	As at 31st March 2020
12. Deferred tax Liabilities (Net)		
Timing Difference on account of Depreciation, Change in rate of Tax, IND AS adjustment etc.	2464.62	3729.00
Difference on account of Allowances under section 43B, Loss & Others etc.	(169.00)	(3,149.71)
Total	2295.62	579.29
13. Other non current liabilities		
Deferred income	-	1.12
Total	-	1.12
CURRENT LIABILITIES		
Financial Liabilities		
14.1. Borrowings		
Loans from banks- Secured (Including current maturities of Covid-19 facility) Secured by (I) Hypothecation of entire current assets of the company both present and future. (II) 2nd Charge (on pari-passu basis) over entire plant and machinery, present or future, of all the units of the company and also personally Guaranteed by Chairman, Managing Director and one Director of the Company. Inter Corporate Deposits (Unsecured Loans) -From Related Parties	81884.32	69579.38
Total	3800.00	3300.00
14.2. Trade and other payables		
---total Outstanding dues of micro enterprises and small enterprises	227.89	145.26
---total Outstanding dues of creditors other than micro enterprises and small enterprises	2987.46	2636.78
Total	3215.35	2782.04
14.3. Other financial liabilities		
Current maturities of long term debts	2590.69	2662.45
Retention money	49.66	52.73
Others	2.27	2.79
Total	2642.62	2717.97
15. Other current liabilities		
Advances from customers	1860.57	778.44
Unpaid dividends	69.02	78.79
Dues to director	21.79	18.98
Government dues	476.81	463.58
Deferred income	0.56	7.37
Others	14786.81	11366.50
Total	17215.56	12713.66
16. Provisions		
Provision for Gratuity	250.93	60.95
Total	250.93	60.95



Note. Particulars No.	As at 31st March 2021	As at 31st March 2020
17.1. Revenue from operations		
Sale of products		
Export	114634.35	110761.58
Domestic	92746.08	93662.94
Export incentives	2420.80	2751.63
Sale of services	980.31	858.69
Total	210781.54	208034.84
17.2. Other operating Revenues		
Miscellaneous sales	218.98	210.15
Miscellaneous receipts	137.33	15.89
Claims received	48.90	9.36
Total	405.21	235.40
18. Other Income		
Interest income	182.10	237.92
Dividend income	47.93	54.59
Rental income	205.12	160.78
Balances written back	44.13	37.25
Gain on sale of Property, Plant & Equipment	131.26	119.73
Exchange Rate Difference (Net)	39.58	-
Net gain on sale of investments	4.57	6.51
Net MTM gain on Forward Contracts	33.37	-
Miscellaneous income	8.43	111.12
Total	696.49	727.90
19. Cost of materials consumed		
Opening stock	47152.29	40204.91
Add : Purchases (Net)	139872.71	137517.39
Less: Closing Stock	(54,591.94)	(47,152.29)
Total	132433.06	130570.01
20. Purchases of stock-in-trade		
Hosiery Garments/others	275.42	428.91
Cotton Yarn	16.85	42.81
Total	292.27	471.72
21. Change in inventories of finished goods/ Work -in-progress/ stock in trade .		
Opening stock		
Work in progress	4635.53	5220.58
Finished Goods / Stock in Trade	11126.45	15303.34
Less: Closing Stock		
Work-in-Progress	(4,722.70)	(4,635.53)
Finished Goods / Stock in Trade	(12,952.38)	(11,126.45)
Total	(1,913.10)	4,761.94
22. Employee benefit expense		
Salary and wages	17121.71	20403.44
Contribution to PF, ESI and Gratuity Fund	1677.48	2083.41
Employees Welfare Expenses	203.77	464.57
Total	19002.96	22951.42



Note. Particulars No.	As at 31st March 2021	As at 31st March 2020
23. Finance cost		
Interest on term loan	1413.15	1340.27
Interest on cash credit	4214.86	4337.36
Interest to others	800.08	493.81
Other borrowing costs	98.08	93.31
Total	6526.17	6264.75
24. Other expenses		
Consumption of stores & spare parts	667.28	1268.24
Power and Fuel	24576.79	24621.79
Dyes & Chemicals	1504.94	2192.41
Rent	32.61	33.45
Repair to Buildings	213.36	216.94
Repair to Machinery	3092.37	3345.77
Insurance	775.31	417.00
Rates and taxes	131.74	194.91
Payment to auditors (ref note 24.1)	13.25	12.64
Exchange Rate Difference (Net)	-	11.29
Brokerage/commission on sale	878.47	966.17
Cost of Raw Material Sold	251.48	431.37
Freight and forwarding	4919.32	3856.49
Packing Store Consumed	3123.82	3048.03
Vehicle Maintenance and Conveyance	220.26	299.59
Bank Charges	417.73	435.37
Loss on MTM on Forward Contracts	-	916.71
Others	1167.82	1268.65
Total	41986.55	43536.82
24.1 Payment to auditors		
Audit Fees	12.94	11.76
Certification Charges	0.15	0.10
Out of Pocket Expenses	0.16	0.78
Total	13.25	12.64
25. Tax expense:		
(1) Current tax		
Provision for Taxation	-	-
(2) Deferred tax assets / liabilities	(1,212.00)	2,500.00
Total	(1,212.00)	2,500.00

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

Accounting profit before tax	5,353.50	(7,805.96)
All india's statutory income tax rate of 25.168% (31st March 2020: 34.944%)	1,347.37	(2,727.72)
Reversal of deferred tax asset on temporary differences etc.	135.37	(227.72)
Income tax expense/ deferred tax reported in the statement of profit and loss	(1,212.00)	2,500.00

**26. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:****I. Background**

Nahar Spinning Mills Limited (the "Company") incorporated as a Private Limited company in 1980 and became a Public Limited company in 1983. Nahar Spinning Mills Limited is engaged in the business of manufacture of cotton yarn/blended yarn and hosiery knitwears. The company is a public Limited company domiciled in India and is incorporated under the provisions of Companies Act applicable in India, Its shares are listed in recognized stock exchanges of India. The registered office of the company is located at 373, Industrial Area 'A', Ludhiana.

II. 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.

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

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The Financial statements of the company for the year ended 31 March, 2021 have been approved by the Board of Directors at their meetings held on 31st May, 2021.

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) Rounding off amounts

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

(iii) Current/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.

(b) 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 company's functional and presentation currency.

Foreign currency transactions 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 the Statement of profit and loss.

(c) Revenue recognition**(i) Revenue arises mainly from the sale of manufactured and traded goods.**

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any



trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Rendering of services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

- (ii) Export Incentives- Export incentives are recognised on post export basis.
- (iii) Interest income - Interest income is recognised on accrual basis.
- (iv) Dividend income - Dividends are recognised in profit or loss only when the right to receive payment is established
- (v) Rental Income- Rental income is accounted for on accrual basis.
- (vi) Scrap (i.e empties, miscellaneous scrap etc.) is accounted for on sale basis
- (vii) Income and other Claims -Revenue in respect of claims is recognised when no Significant uncertainty exists with regard to the amount to be realised and ultimate Collection thereof .

(d) Government Grant

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

Government grant relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognised in the statement of profit or loss over the period of useful life of asset.

(e) 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 by the end of the reporting period 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 assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised

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

(f) 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.

(g) Cash and Cash Equivalents :

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

(h) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. However to determine the cost, the following methods are adopted:-

1.
 - a) For Raw Material on moving weighted average method plus direct expenses.
 - b) For Stores and Spares on moving weighted average method plus direct expenses
 - c) For Work - in - Process, cost of Raw Material plus appropriate share of manufacturing expenses/ relevant Overheads/conversion cost depending upon the stage of completion.
2. For Finished goods, cost of raw material plus conversion costs, packing cost and other overheads incurred to bring the inventories to their present condition and location.
3. Further Wastage and Rejections are valued at net realizable value only.
4. Goods in Transit are valued at cost.

(i) FINANCIAL ASSETS

(i) Classification

- The company classifies its financial assets in the following measurement categories -
- Those to be measured subsequently at fair value (either through other comprehensive income or through Statement of profit and loss), and
- Those measured at amortised cost

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at the fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss.

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss.

(iii) Impairment of 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 cost of disposal and its value in use.

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(j) Impairment of Non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash-generating units). Non-Financial assets suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

(k) Non- Current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt

Non-current assets are not depreciated or amortised while they are classified held for sale. Interest and other expenses attributable to the liabilities of disposal, company classified as held for sale, continue to be recognised.

(l) Derivatives that are not designated as hedges

The company enters into certain derivatives/forward contracts to hedge foreign currency risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss

(m) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use.

Depreciation methods, estimated useful lives and residual value

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in the Schedule II to the Companies Act, 2013.

- a) In Garment Division at Ludhiana, depreciation is charged on W.D.V. basis
- b) In all other units, depreciation is charged on Straight Line basis

The residual values are not more than 5% of the original cost of the assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other 'non-current assets' and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

**(n) 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 and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and cost of the item can be measured reliably.

Investment properties are depreciated using the written down value method over the useful life of 60 years.

(o) Intangible assets**Computer software**

Computer software are stated at cost less accumulated amortisation and impairment, if any.

Amortisation methods and periods

The company amortises the computer software with a finite useful life over the period of 6 years.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid.

(q) 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.

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

(r) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(s) Provisions and contingent liabilities

Provisions are recognised 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 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

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

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

Liabilities for wages and salaries, including non-monetary benefits if any, 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.

(ii) Other long term employee benefit obligations

The liabilities if any, which needs to be settled after 12 months from the end of the period in which the employees render the related services are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

**(iii) 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.

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.

(iv) Defined contribution plans

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the Statement of Profit and Loss.

(u) Estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities as at the date of financial statements and reported amount of income and expenses during the period.

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Designation of financial assets /liabilities through FVTPL
- Estimation of defined benefit obligation
- Recognition of deferred tax assets for carried forward tax losses

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.

(v) Cash Flow Statement :

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 "Statement of Cash Flows" using indirect method for operating activities.

27. Contingent liabilities not provided for

- a) Excise/Service Tax/Sales Tax/Income Tax/ Other Government Authorities have raised demands of Rs. 403.35 Lacs (31 March 2020: Rs.497.99 Lacs) out of which a sum of Rs. 7.14 Lacs (31 March 2020: Rs. 14.58 Lacs) has been deposited against said demand. Further these demands have been contested in appeal and no provision has been made in the financial statement.
- b) The Madhya Pradesh Government's Ordinance to collect cess on Captive Power generation was declared ultravires by the Hon'ble Supreme court vide order dated 09/12/2003 but the State Government subsequently enacted an Act namely M.P.Upkar (Sanshodhan Tatha Vidhimanyatakarana) Adhiniyam 2004 on 15th April 2004 which deemed to have come in to force from 29.06.2001. After the above act, the M.P.High Court passed an order dated 31/08/2007 to collect the dues of Cess from Captive Power plant users along with interest. According to this order, on the disputed amount, Rs. 240.41 Lacs (31 March 2020: Rs.228.79 Lacs) is payable as interest .The above referred order has been challenged by some actual users in Hon'ble Supreme Court and matter being sub-judice, hence liability has not been provided for in the books.
- c) The Company has given Bank Guarantees for Rs. 5 Lacs (31 March 2020 : Rs. 30 Lacs) in favour of Punjab Pollution Control Board and Bank Guarantee for Rs.6.69 Lacs (31 March 2020 : Rs. 4.90 Lacs)in favour of Ministry of Textiles.
- d) Levy of Entry Tax on certain items including yarn by the Punjab Government is subjudice before the Hon'ble Punjab & Haryana High Court .The Punjab Government has deferred the same subject to undertaking by the company that if the same is hold valid by the Hon'ble High Court , then company will deposit the same w.e.f the date of undertaking . The amount of such entry tax is Rs. 153.50 Lacs (31 March 2020: Rs.153.50 Lacs) . It has no material effect on the profitability of the company as either company will get refund or get ITC of the same.

**28. Capital commitments**

Estimated amount of Contracts remaining to be executed , net of advances -

	As at 31 March 2021	As at 31 March 2020
On Capital Accounts	3,747.26	3,562.22
On Others	663.19	1,413.47

29. There are no Micro & Small enterprises covered under Micro, Small and Medium Scale Development Act, 2006, to whom the company owes dues, which are outstanding for more than 45 days. This information has been determined on the basis of information received from the parties

	31-Mar-21	31-Mar-20
- The principal amount and the interest due thereon (to be shown separately) remaining unpaid	-	-
- The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
- 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 as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

30 : Other notes

- I. Salaries & wages incurred during the year on repairs and maintenance of Building and Plant & Machinery etc. have been charged to former accounts and not shown separately.
- II. In the opinion of the board, the value of Current Assets, Loans and Advances have a value in the ordinary course of business at least equal to that stated in the balance sheet
- III. Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.
- IV. Borrowing cost amounting Rs. 70.69 Lacs (31st March 2020 : Rs. 64.44 Lacs) has been capitalized during the year.
- V. Material events occurring after the balance sheet date are taken into cognizance.
- VI. There is no CSR liability in accordance with the provisions of section 135 of the Companies Act 2013 during the year ended 31.03.2021

Particulars	(Rs. in lacs)	
	As at 31 March 2021	As at 31 March 2020
The amount required to be spent	Nil	83.49
The amount spent/Contributed	Nil	83.49

- VII. The Company had entered into a contract with Trident International Holdings FZCO, Dubai to purchase property for official use for a consideration of Thirteen Million Three hundred nineteen thousand eight hundred ninety eight Dirhams. The company has paid Seven Million Nine hundred ninety one thousand nine hundred forty Dirhams.



(INR 939.51 Lacs) As per the contract, the above said party was supposed to handover the contracted property at the end of 1st Quarter of 2011. The said party breached the contract, thus company is entitled to recover full payment of the amount paid and reasonable interest and damages etc. and for this purpose the company has initiated legal proceedings against the party to recover the amount. The arbitration order has been decided in favour of the company and the company has filed execution & recovery petition Till company recovers the amount by a legal process, the amount paid by the company has been shown as advances recoverable in Cash or Kind.

- VIII. The Company has purchased Guest House at Shimla from Bemloi development and Infrastructure Co. P Ltd. (DLF Group) New Delhi for value of Rs. 389 Lacs plus applicable Taxes, as per agreed payment terms based on construction work. Till date company has paid 95% demanded amount as a part consideration of the said property. Since the builder M/s Bemloi Development and Infrastructure Company (p) Ltd. (DLF Group), New Delhi failed to fulfil the commitment, complete the construction and deliver the possession within stipulated time, therefore company has filed a case before National Consumer Disputes redressal Commission for redressal of our claim of the advance paid of Rs. 382 Lacs alongwith compensation and interest. This amount has been shown as advances recoverable in Cash or Kind.
- IX. Advances recoverable amount includes Rs. 500 Lacs on account of GST paid under protest and final treatment of this expense would be considered as and when the matter is finally adjudicated.
- X. The company is operating in single segment i.e Textiles. Hence segment reporting as required under IND AS 108 (Operating Segments) is not applicable.

Major Customer

Sales of the company is evenly distributed, disclosure of major customer is not being made. There is no single customer having sale more than 10% of the turnover of the company.

31. Government Grants

	31 March 2021	31 March 2020
At the beginning of the year	1,419.19	1,366.90
Provided during the year	-	52.29
Received / Adjusted during the year	77.27	-
At the end of the year	1,341.92	1,419.19
Current	1,341.92	1,419.19
Non-current	-	-
	1,341.92	1,419.19

Government grants have been received/receivable for the purchase of certain items of property, plant & equipment and MP state sales tax incentives. There are no unfulfilled conditions or contingencies attached to these grants.

32. 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 recognised in the financial statements:

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimating 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. Further details about gratuity obligations are given in Note 36.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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.

33. Financial risk management objective and policies

The Company's principal 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 loans, trade and other receivables, and cash & cash equivalents 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 rates. For floating rates borrowings, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding 'for the whole year . A 50 basis point Increase or decrease is used when reporting interest rate risk internally to Key management personnel and represents management's assessment of the reasonably possible change in interest rates .

	31 March 2021	31 March 2020
Variable rate borrowings	90,232.73	80,237.81
Fixed rate borrowings	17,153.99	12,162.10

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:

	Effect on Profit before tax	
	31 March 2021	31 March 2020
Increase by 50 basis points	(451.16)	(401.19)
Decrease by 50 basis points	451.16	401.19

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 International currencies as part of the business is transacted in foreign currencies and consequentially the company is exposed to foreign exchange risk. The Company's exposure in foreign currency is in loans, trade receivables and advances and trade payables.

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

As at 31st March 2021	(Foreign currency in lacs)		
	USD	EURO	Others
Particulars			
Trade Receivables	-	-	-
Trade Payables	0.003	-	0.070
Others	3.04	-	-
As at 31st March 2020			
Particulars	USD	EURO	Others
Trade Receivables	-	-	-
Trade Payables	0.005	-	-
Others	-	-	-



Foreign currency sensitivity

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

	31st March, 2021		31st March, 2020	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	11.10	(11.10)	(0.02)	0.02
EURO	-	-	-	-
Others	(0.27)	0.27	-	-
Increase/(decrease) in Profit or Loss	10.83	(10.83)	(0.02)	0.02

ii) 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	(in Lacs)	
	As at 31st March, 2021	As at 31st March, 2020
Type of contract	USD	USD
Forward contracts against exports	238.18	309.47

iii) Price risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

B) Credit risk

Credit risk is the risk that counterparty 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)

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

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**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 bank guarantees/letter of credit, from customers where credit risk is high. 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. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

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.

(i) Trade Receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 5.1. Trade receivables are unsecured but considered goods subject to provision made thereon.

Trade receivables	31 March 2021	31 March 2020
Not Due	29,095.82	25,359.75
Up to 6 Months past Due	1,832.25	1,750.73
6 Months to 1 Year past Due	14.10	2.66
More than 1 year past Due	1.37	46.73
	<u>30,943.54</u>	<u>27,159.87</u>

Provision for Doubtful Debts

More than 1 year	-	-
Total	<u>30,943.54</u>	<u>27,159.87</u>

Reconciliation of Provision for Doubtful Debts	31 March 2021	31 March 2020
Balance at the Beginning of the Year	-	-
Add: Provision made during the year	-	-
Less: Provision Written Back during the Year	-	-
Balance at the end of the Year	<u>-</u>	<u>-</u>

(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 has access to the following undrawn borrowing facilities at the end of the reporting periods -



	31 March 2021	31 March 2020
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured		
-Working Capital Limits	19,827.43	35,582.62
(b) Expiring beyond one year (Bank loans)		
Secured		
-Term loan from banks	-	4,417.51

(ii) Maturity Patterns of borrowings

	Less than 1 Year	1 to 3 years	3 to 5 years	More than 5 years
Year ended 31st March, 2021				
Contractual Maturities of long term borrowings	6390.69	13,152.25	5,090.00	907.52
Contractual Maturities of trade payables	3215.35	0.00	0.00	0.00
Contractual Maturities of other financial liabilities	49.66	0.00	0.00	0.00
Total	9655.70	13,152.25	5,090.00	907.52
Year ended 31st March, 2020				
Contractual Maturities of long term borrowings	5,962.45	7,288.50	11,844.00	2,200.00
Contractual Maturities of trade payables	2,782.04	0.00	-	0.00
Contractual Maturities of other financial liabilities	52.73	44.05	-	0.00
Total	8,797.22	7,332.55	11,844.00	2,200.00

34 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. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	31st March 2021	31st March 2020
Borrowings	1,07,386.72	92,399.91
Trade payables	3,215.35	2,782.04
Less: Cash and cash equivalents	106.09	371.26
Net debt	1,10,495.98	94,810.69
Equity	89,790.88	81,913.59
Capital and net debt	2,00,286.86	1,76,724.28
Gearing ratio	0.55	0.54

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.



No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020

35. Distribution made and proposed

	31st March 2021	31st March 2020
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2020: Nil (31 March 2019 : Rs. 1 per Share)	-	360.65
DDT on final dividend	-	74.13
	<u>-</u>	<u>434.78</u>
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2021: ₹ 1.50 per share (31 March 2020: Nil)	540.98	-
	<u>540.98</u>	<u>-</u>

36. Post-Employment Obligations - Gratuity

The Company provides for gratuity for employees 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 recognised funds in India.

(Rs. in Lacs)

Changes in defined benefit obligation	31-Mar-21	31-Mar-20
Gratuity Plan	4,096.14	3,866.17

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Changes in defined benefit obligation	31-Mar-21	31-Mar-20
Present value obligation as at the start of the year	3,866.17	3,885.10
Interest cost	242.09	275.23
service cost	440.81	473.26
Benefits paid	(283.48)	(229.56)
Actuarial loss/(gain) on obligations	(169.45)	(537.86)
Present value obligation as at the end of the year	4,096.14	3,866.17

Change in fair value of plan assets	31-Mar-21	31-Mar-20
Fair value of plan assets as at the start of the year	3,805.23	3,377.77
Return on plan assets	240.96	253.17
Return on plan assets (greater)/less than discount rate	4.77	6.21
Contribution	87.27	410.06
Benefits paid	(283.48)	(229.56)
Fair value of plan assets as at the end of the year	3,845.21	3,805.23

Breakup of Actuarial gain/loss:

Description	31-Mar-21	31-Mar-20
Actuarial (gain)/loss on arising from change in financial assumption	47.93	(478.72)
Actuarial (gain)/loss on arising from experience adjustment	(217.38)	(59.14)
Return on plan assets (greater)/less than discount rate	4.77	6.21



Reconciliation of present value of defined benefit obligation and the fair value of plan assets	31-Mar-21	31-Mar-20
Present value obligation as at the end of the year	4,096.14	3,866.17
Fair value of plan assets as at the end of the year	3,845.21	3,805.23
Net asset/(obligation) recognized in balance sheet	(250.93)	(60.94)

Amount recognized in the statement of profit and loss	31-Mar-21	31-Mar-20
Service cost	440.81	473.26
Interest cost	1.13	22.06
(Income)/Expense recognised in the statement of profit and loss	441.94	495.32

Amount recognised in the statement of Other Comprehensive Income

Description	31-Mar-21	31-Mar-20
Actuarial (Gain)/Loss for the year on DBO	(169.45)	(537.86)
Return on plan assets (greater)/less than discount rate	4.77	6.21
Recognised actuarial (Gain)/Loss at the end of the year	(164.68)	(531.65)

Actuarial assumptions	31-Mar-21	31-Mar-20
Discount rate	6.30%	6.50%
Future salary increase	5.00%	0.00%

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

	31-Mar-21	31-Mar-20
Discount rate	6.30%	6.50%
Present value obligation as at the end of the year	4,096.14	3,866.17
a) Impact due to increase of 0.50%	(117.75)	(111.46)
b) Impact due to decrease of 0.50%	124.90	118.24
Salary escalation rate at the end of the year	5.00%	0.00%
Present value of obligation at the end of the year	4,096.14	3,866.17
a) Impact due to increase of 0.50%	125.26	119.44
b) Impact due to decrease of 0.50%	(119.14)	(96.83)

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..

The following payments are expected contributions to the defined benefit plan in future years:
(Rs. in Lacs)

Description	31-Mar-21	31-Mar-20
March 31, 2021		608.39
March 31, 2022	652.13	496.39
March 31, 2023	504.04	502.61
March 31, 2024	532.86	535.32
March 31, 2025	586.46	607.11
March 31, 2026	576.65	
March 31, 2021 (March 31, 2027 to March 31, 2031) and March 31, 2020 (March 31, 2026 to March 31, 2030)	3,300.86	3142.76
Total expected payments	6,153.00	5,892.58



Withdrawal Rate	31-Mar-21	31-Mar-20
Attrition rate at the year and	10.00%	10.00%
Effect on DBO due to 5 % increase in Withdrawl Rate	45.79	60.63
Effect on DBO due to 5 % decrease in Withdrawl Rate	(102.30)	(125.06)

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years. (31st March 2020: 6 years)

Post Employment Benifit of KMP's

(Rs. in Lacs)

Name of KMP	Date of Joining	DBO as at 31.03.2021	DBO as at 31.03.2020
Sh. Dinesh Oswal	01-01-1987	14.48	14.10
Sh. Anil Kumar Garg	01-02-1993	14.59	13.26
Sh. Brij Sharma	11-09-1989	16.07	14.66

37. Reconciliation of Changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes as per the requirement of IND AS-7 'Statement of Cash Flows'

Particulars	Borrowings (Non-current) (including current maturities)	Borrowings (Current)
A. Borrowings from Banks		
Balance at the beginning of the period	15820.53	69579.38
Add:/Less Changes during the period		
(a) Changes from financing cash flows	2181.87	12304.94
(b) Changes arising from obtaining or losing control of subsidiaries or other business		
(c) the effect of changes in foreign exchange rates	-	-
(d) changes in fair values	-	-
(e) other Changes	-	-
Balance at the end of the period	18002.40	81884.32
B. Deposits from body corporates		
Balance at the beginning of the period	3,700.00	3,300.00
Add:/Less Changes during the period	-	-
(a) Changes from financing cash flows	-	500.00
(b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
(c) The effect of changes in foreign exchange rates	-	-
(d) Changes in fair values	-	-
(e) Other Changes	-	-
Balance at the end of the period	3,700.00	3,800.00

38. Earning Per Share

Basic/Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-21	31-Mar-20
Profit/(Loss) after Taxation	4,141.49	(5,305.96)
Add/(Less): Adjustment of Income Tax earlier Years	(56.37)	108.53
Profit After adjustment of earlier year Income Tax	4,085.12	(5,197.43)
Weighted Avreage Number of Shares Issued	360.65	360.65
Earning Per Share in Rs. (Basic & Diluted) (There are no potential equity shares) (Face Value of Rs. 5/- Share	11.33	(14.41)



39. Related Party Disclosure

Associates- Nil

Other Related Parties/Group Companies*

Nahar Capital & Financial Services Ltd., Nahar Poly Films Ltd., Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Limited., Abhilash Growth Fund(P) Ltd., Monica Growth Fund(P) Ltd., Monte Carlo Fashions Ltd., Cotton County Retail Ltd., Oswal Foundation. Closettrunk Pvt Ltd. Sankeshwar Holding Company Ltd.

Key Management personnel

- Sh. Dinesh Oswal (Managing Director), Sh. Anil Kumar Garg (CFO), Sh. Brij Sharma (Company Secretary)

Relatives of KMP

- Sh. Jawahar Lal Oswal, Sh. Kamal Oswal, Mrs. Abhilash Oswal, Mrs. Ritu Oswal, Mr. Sambhav Oswal, and Ms. Tanvi Oswal

(Rs. In Lacs)

Particulars	Other Related Parties/ Group Companies		Key management Personnel & their relative		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Purchase of Goods/Services	1,005.63	2,491.63	-	-	1,005.63	2,491.63
Sale of Goods/shares/Services	7,803.11	8,503.73	-	-	7,803.11	8,503.73
Purchase of Shares	74.11	-	-	-	74.11	-
Purchase of Fixed Assets	-	119.13	-	-	-	119.13
Rent Paid	26.08	26.08	4.16	4.16	30.24	30.24
Interest Paid	792.76	464.70	-	-	792.76	464.70
Rent Received	78.16	91.26	10.95	10.40	89.11	101.66
On other account paid	88.53	140.38	-	-	88.53	140.38
On other account received	52.80	151.11	-	-	52.80	151.11
Contribution towards CSR Expenses	-	83.49	-	-	-	83.49
Sale of Export Licence	215.56	243.71	-	-	215.56	243.71
Inter-corporate Loans Taken	4,875.00	7,500.00	-	-	4,875.00	7,500.00
Inter-corporate Loans Repaid	4,375.00	500.00	-	-	4,375.00	500.00
Inter-corporate Loans Outstanding	7,500.00	7,000.00	-	-	7,500.00	7,000.00
Director Sitting Fee	-	-	0.70	0.80	0.70	0.80
Managerial Remuneration/Perquisites	-	-	951.98	850.46	951.98	850.46
Salary	-	-	67.78	102.02	67.78	102.02
Balance Receivable	1,276.09	898.01	-	-	1,276.09	898.01
Balance Payable	-	-	21.79	18.98	21.79	18.98

* All transactions are inclusive of taxes wherever applicable

* Salary paid to CFO and Company Secretary is shown in the director's report and is not included in the above list of transactions.

40. Fair value measurement
(a) Financial instruments by category

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

Particulars	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	12.14	6,119.88	-	4.42	2,213.95	-
Trade receivables	-	-	30,943.54	-	-	27,159.87
Security deposit	-	-	2,529.82	-	-	2,452.92
Other financial assets	-	-	68.31	-	-	66.35
Cash and equivalents	-	-	106.09	-	-	371.26
Other bank balances	-	-	69.62	-	-	80.74
Total	12.14	6,119.88	33,717.38	4.42	2,213.95	30,131.14
Financial liabilities						
Borrowings(excluding current maturities of long term debts)	-	-	104,796.03	-	-	89,737.46
Trade payable	-	-	3,215.35	-	-	2,782.04
Other financial liabilities	-	-	2,642.62	-	-	2,762.02
Total	-	-	110,654.00	-	-	95,281.52

(b) Fair value measurement hierarchy for assets and liabilities

The Company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	31 March 2021			31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Particulars						
Financial assets						
Investments	5,874.52	0.005	257.49	2,218.37	0.005	
Total financial assets	5,874.52	0.005	257.49	2,218.37	0.005	-
Financial assets and liabilities measured at amortised cost for which fair values are disclosed	31 March 2021					
Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Trade receivables	-	-	30,943.54	-	-	27,159.87
Security deposit	-	-	2,529.82	-	-	2,452.92
Other financial assets	-	-	68.31	-	-	66.35
Cash and equivalents	-	-	106.09	-	-	371.26
Other bank balances	-	-	69.62	-	-	80.74
Total financial assets	-	-	33,717.38	-	-	30,131.14
Financial liabilities						
Borrowings(excluding current maturities of long term debts)	-	-	104,796.03	-	-	89,737.46
Trade payable	-	-	3,215.35	-	-	2,782.04
Other financial liabilities	-	-	2,642.62	-	-	2,762.02
Total financial liabilities	-	-	110,654.00	-	-	95,281.52

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. 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. The mutual funds are valued using the closing NAV..

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

Particulars	31 March 2021		31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposit	2,529.82	2,529.82	2,452.92	2,452.92
Total financial assets	2,529.82	2,529.82	2,452.92	2,452.92
Financial liabilities				
Borrowings(excluding current maturities of long term debts)	104,796.03	104,796.03	89,737.46	89,737.46
Retention Money	49.66	49.66	96.78	96.78
Total financial liabilities	104,845.69	104,845.69	89,834.24	89,834.24

The carrying amounts of trade receivables, trade payables, advances to employees, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to short term nature..

The fair values for security deposits 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.

41.

Due to Covid-19 Pandemic, the Government of India imposed a complete nation-wide lockdown on March 24, 2020 leading to temporarily shutdown of company's manufacturing facilities and operations for some period during the 1st quarter ended 30.06.2020. Hence results for the year ended 31st March, 2021 are not comparable with corresponding year ended 31st March, 2020.

The Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates, the company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future.



Performance At A Glance

Rupees in Lacs

SR. NO.	PARTICULARS	2016-17	2017-18	2018-19	2019-20	2020-21
1	OPERATING INCOME	213215	213319	230519	208270	211186
2	EXPORTS	134379	126404	139409	110762	114634
3	OTHER INCOME	2199	899	1265	728	696
4	GROSS PROFIT(Before Interest & Dep)	20456	9752	24343	6623	20081
5	PROFIT AFTER TAX	4597	-3218	6512	-5306	4141
6	CASH ACCRUALS (Before Tax & Dep.)	16353	4777	18838	358	13555
7	GROSS BLOCK	96637	99869	112014	121055	125935
8	NET BLOCK	76983	70853	74713	75597	72399
9	SHARE CAPITAL (PAID UP)	1805	1805	1805	1805	1805
10	NET WORTH	85627	81855	87696	81914	89791
11	DEFERRED TAX RESERVE	3843	2469	2997	579	2296
12	DEBT EQUITY RATIO	0.33	0.22	0.14	0.24	0.24
13	CURRENT RATIO	1.30	1.12	1.14	1.18	1.24
14	BOOK VALUE PER SHARE	237.42	226.97	243.16	227.13	248.97
15	EARNING PER SHARE (BASIC)	12.69	-8.92	18.22	-14.41	11.33
16	FACE VALUE (PAID UP)	Rs. 5	Rs. 5	Rs. 5	Rs. 5	Rs. 5
17	DIVIDEND	30%	10%	20%	-	30%

Glimpse of CSR Project under taken by Oswal Foundation



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