



The Nahar Group

38th ANNUAL REPORT 2017-18



Nahar SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal

Sh. Kamal Oswal

Sh. Dinesh Gogna

Sh. Satish Kumar Sharma

Prof. Kanwar Sain Maini

Dr. Suresh Kumar Singla

Dr. Amrik Singh Sohi

Dr. Manisha Gupta

Dr. Vijay Asdhir

Chairman

Managing Director

Director

Director

Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

CHIEF FINANCIAL OFFICER

Sh. Anil Garg

FINANCIAL CONTROLLER

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

38th ANNUAL GENERAL MEETING

Day	:	Friday
Date	:	28th September, 2018
Time	:	11.00 A.M.
Place	:	At the Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 38TH ANNUAL GENERAL MEETING of the members of NAHAR SPINNING MILLS LIMITED will be held on Friday, the 28th day of September, 2018 at 11.00 A.M at the premises of M/s Nahar Industrial Enterprises Limited, Focal point, Ludhiana to transact the following business:

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, 2018 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO: 2 - DECLARATION OF DIVIDEND

To declare dividend @10% i.e. Rs. 0.50 per equity share of Rs. 5/- each for the year ended 31st March, 2018.

ITEM NO: 3 – APPOINTMENT OF MR. JAWAHAR LAL OSWAL AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO: 4 - APPOINTMENT OF MR. SATISH KUMAR SHARMA AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Satish Kumar Sharma (DIN: 00402712), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**ITEM NO: 5 - RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 148(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 2018-19, 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 are hereby authorised to do all such

acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution.”

ITEM NO: 6 – TO APPROVE THE PAYMENT OF REMUNERATION OF MR. DINESH OSWAL, MANAGING DIRECTOR, AS APPROVED BY THE CENTRAL GOVERNMENT

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

“RESOLVED THAT pursuant to the provisions of Section 197(1) and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made 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 the payment of Minimum Remuneration to Mr. Dinesh Oswal, Managing Director of the Company (DIN: 00607290) as approved by the Ministry of Corporate Affairs vide their letter no. SRN G41303728/1/2017 - CL-VII dated 26.12.2017 for three Calendar years commencing from January 1, 2017 to December 31, 2019 as per details hereunder:

A. Total Salary: Rs. 5,59,73,000/- (Rupees Five Crores Fifty Nine Lakh Seventy Three Thousand only) for the year 2017, Rs.6,55,69,000/- (Rupees Six Crores Fifty Five Lakh Sixty Nine Thousand only) for the year 2018 and Rs.7,69,64,000/- (Rupees Seven Crores Sixty Nine Lakh Sixty Four Thousand only) for the year 2019.

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

- 1. Provident Fund and Super-Annuation Fund:** Contribution to Provident Fund, Super-Annuation Fund or Annuity Fund in accordance with the rules specified by the Company.
- 2. Gratuity:** Gratuity payable shall not exceed half month's salary for each completed year of service.
- 3. Leave Encashment:** Encashment of leave at the end of the tenure, as per rules of the Company.
- 4. Reimbursement of Entertainment Expenses:** Reimbursement of entertainment expenses actually and properly incurred in the course of Company's business.”

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

ITEM NO: 7 - TO DETERMINE THE FEES FOR DELIVERY OF ANY DOCUMENT THROUGH A PARTICULAR MODE OF DELIVERY



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

“RESOLVED THAT pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), upon receipt of a request from a member for delivery of any document through a particular mode an amount of Rs. 100/- (Rupees One Hundred Only) or estimated expenses whichever is more, for each such document, be levied as and by way of fees for sending the document to him/her in the desired particular mode.”

“RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member at least 10 days in advance to the Company, before dispatch of such document and in absence thereof, no such request will be entertained.”

ITEM NO: 8 – TO APPROVE CONTINUATION OF HOLDING OF OFFICE AS NON-EXECUTIVE DIRECTOR BY MR. JAWAHAR LAL OSWAL (DIN: 00463866), UPON ATTAINING THE AGE OF 75 YEARS

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

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with the provisions of Companies Act, 2013 and Rules framed 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 Non-Executive Director of the Company by Mr. Jawahar Lal Oswal (DIN: 00463866), upon attaining the age of 75 years on 1st October, 2018.”

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

ITEM NO: 9– TO APPROVE CONTINUATION OF HOLDING OF OFFICE AS INDEPENDENT DIRECTOR BY PROF. KANWAR SAIN MAINI (DIN: 00454686), WHO HAS ATTAINED THE AGE OF 75 YEARS

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

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with the provisions of Companies Act, 2013

and Rules framed 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 Prof. Kanwar Sain Maini (DIN: 00454686), who has attained the age of 75 years, upto the expiry of his present term of office up to September 25, 2020.”

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

BY ORDER OF THE BOARD

BRIJ SHARMA

DATED: 6th August, 2018 (Company Secretary)

Regd. Office:

**373, Industrial Area-A,
Ludhiana-141003**

CIN: L17115PB1980PLC004341

E-mail: secnsm@owmnahar.com

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. 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. A Route Map to reach the venue of the Annual General Meeting, including prominent land mark for easy location, has been provided at the end of the Annual Report.
5. The Register of Members and Share Transfer Register of the Company shall remain closed from 12th September, 2018 to 14th September, 2018 (both days inclusive) for the purpose of equity dividend for the year ended 31st March, 2018
6. 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, whose names shall appear in Register of Members as on 11th September, 2018 or Register of Beneficial Owners, maintained by the Depositories at the close of 11th September, 2018.
7. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividend upto the financial year 2009-10 has been transferred to Investor Education and Protection Fund. Further, unpaid dividend for the year 2010-11 is to be transferred to Investor Education and Protection Fund in November, 2018. Shareholders who have not encashed their dividend warrants relating to said period are requested to claim the amount from the Company at the earliest.

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 remain 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.owmnaahar.com/spinning/pdf/NaharSpinLiStofShareholders200809.pdf>. 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>. Shareholder may note that the equity shares as well as unclaimed dividends transferred to IEPF Authority can be reclaimed by making an application to the IEPF Authority in e-form IEPF-5 as per the procedure provided under Rule 7 of the IEPF Rules. The Shareholders can also view the procedure at www.iepf.gov.in.
8. In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Jawahar Lal Oswal and Dr. Satish Kumar Sharma, 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 recommend their respective re-appointments.
9. **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. The said amendment shall come into force on the one hundred and eightieth day from the publication of Official Gazette.**

In view of the above, members are hereby informed that effective 5th December, 2018 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.
10. 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.
11. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 26, 2017.
12. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
13. The documents referred to in Explanatory Statement are open for inspection at the Registered Office of the



- Company on any working day (except Saturday and Holiday) between 10:00 A.M. to 12:00 Noon upto the date of Annual General Meeting.
14. We request shareholders to update their e-mail address with their Depository Participants to enable the Company to send communications electronically.
 15. Electronic copy of the Annual Report for the year 2017-2018 is being sent to all the members whose email Ids are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
 16. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
 17. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the Management to keep the relevant information ready.
 18. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
 19. The information required to be provided under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Directors who are proposed to be re-appointed, is given hereto and form part of the Notice.
 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) before 11th September, 2018. 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, 1E/13, Jhandewalan Extension, New Delhi-110055.**
 21. The Register under Section 189 (4) of the Companies Act, 2013 shall be produced at the commencement of the Meeting and shall remain open and accessible during the continuance of the Meeting.
 22. In compliance with provision of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility to members for voting by electronic means and the business contained in this Notice shall be transacted through such voting. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electronically.
 23. Notice of the 38th Annual General Meeting and the Annual Report for the financial year 2017-18 will also be available on the Company's website i.e. www.owmnahar.com. The above said Notice will also be available on the website of CDSL i.e. www.cdslindia.com.
 24. The facility for e-voting via ballot or polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 25. The members who have casted their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.
 26. **Instructions for shareholders Voting through electronic mode are as under:**
 - 1) The voting period begins on 25th September, 2018 (9:00 a.m.) and ends on 27th September, 2018 (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 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - 2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - 3) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 4) Click on "Shareholders/Members" tab.
 - 5) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



- 6) Next enter the Image Verification as displayed and Click on Login
- 7) 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.
- 8) If you are a first time user follow the steps given below:

For members holding shares in demat form and physical form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN Field. Sequence number is printed on Address Slip as provided with Annual Report. • In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (5).

- 9) After entering these details appropriately, click on "SUBMIT" tab.
- 10) 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.

- 11) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 12) Click on the EVSN 180823009 for the relevant NAHAR SPINNING MILLS LIMITED on which you choose to vote.
- 13) 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.
- 14) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 15) 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.
- 16) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 17) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 18) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 19) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 20) **Note for Non-Individual Shareholders and custodians**
 - a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.



- c) 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.
- d) 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.
- e) 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.
- 21) 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 21st September, 2018 may follow the same instructions as mentioned above for e-Voting.
- 22) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- 23) 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
0161-2600701 to 2600705
secnsm@owmnahar.com
- 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 cut off date
28. Mr. P.S. Bathla, Practising Company Secretary (Membership No. FCS 4391), will act as a Scrutinizer to the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process).
29. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favour or against, if any, forthwith to the Chairman of the Company.
30. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. 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 38th Annual General Meeting i.e. 28th September, 2018.
32. A person who is not a Member as on the cutoff date i.e. 21st September, 2018 should treat this Notice for information purposes only.

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. 9 of the accompanying Notice:

ITEM NO. 5

As per the provisions of Companies (Cost Records and Audit) Amendment Rules, 2014 notified by MCA vide its notification dated 31st December, 2014, Company's activities fall within the purview of Cost Audit requirement. Accordingly the Board, at its meeting held on 6th August, 2018, 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 2018-2019.

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 the Item No. 5 of the Notice for ratification of remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for financial year 2018-19.

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 Resolution for your approval.

ITEM NO. 6

The Shareholders at their Meeting held on 30th September, 2016 approved the re-appointment of Mr. Dinesh Oswal as Managing Director of the Company for a further period of five years w.e.f. 1st January, 2017 at remuneration as specified in the Resolution.

However, due to expected inadequacy of profits, the Company made an application to the Central Government, Ministry of Corporate Affairs under Section 197 of the Companies Act, 2013 seeking approval for payment of remuneration to Mr. Dinesh Oswal as approved by Shareholders. The Central Government, Ministry of Corporate Affairs, vide their letter SRN G41303728/2017-CL.VII dated 26th December, 2017 gave the approval for payment of remuneration to Sh. Dinesh Oswal, Managing Director from 1st January, 2017 for a period of three years i.e. upto 31st December, 2019 as per details hereunder:

“A total remuneration of Rs. 7,99,73,000/- (Rupees Seven Crore Ninety Nine Lakhs and Seventy Three Thousand only) for the Calendar year 2017, Rs. 9,19,69,000/- (Rupees Nine Crores Nineteen Lakhs and Sixty Nine Thousand Only) for the Calendar Year 2018 and Rs. 10,57,64,000/- (Rupees Ten Crores Fifty Seven Lakhs and Sixty Four Thousand only) for the Calendar year 2019 which he may draw either from M/s. Nahar Spinning Mills Limited or from M/s. Nahar Capital and Financial Services Ltd. or partly from the first and remaining from the second company.”

Thereafter, the Nomination and Remuneration Committee and Board took note of the Central Government's approval and decided to pay Remuneration of Rs. 5,83,71,178 as Salary from 1st April 2017 to 31st March, 2018 and arrears of salary amounting to Rs. 1,06,33,250/- for the year 2016-17 during the year 2017-18.

The total remuneration as mentioned in the Central Government's letter dated 26th December, 2017 is subject to the approval of the company in General Meeting as required by Section 197 (1) of the Companies Act, 2013 unless the same has already been approved by the company in General Meeting. The Nomination and Remuneration Committee and Board have already taken note of the said approval of Central Government.

Accordingly, the Company seeks your approval by proposing Special Resolution, as set out the Item No. 6 of the Notice, for payment of Minimum Remuneration to Mr. Dinesh Oswal as mentioned in the Resolution (which has been arrived after deducting the remuneration being paid payable by Nahar Capital and Financial Services limited for the Calendar year 2017, 2018 and 2019) and approved by Central Government, Ministry of Corporate Affairs,

New Delhi.

Mr. Dinesh Oswal may be deemed to be concerned or interested in the aforesaid resolution. Mr. Jawahar Lal Oswal (Chairman) and Mr. Kamal Oswal (Director), being relatives of Mr. Dinesh Oswal may be deemed to be concerned or interested in the said resolution.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Resolution for your approval.

ITEM NO. 7

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him/her by Post or by Registered post or by Speed post or by Courier or by delivering at his/her office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him/her through a particular mode, for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode and the fees needs to be determined at the Annual General Meeting as per the provisions of Companies Act, 2013. Accordingly, the Board has proposed Ordinary Resolution set out at Item No. 7 of the Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives, in any way, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Resolution for your approval.

ITEM NO. 8

Mr. Jawahar Lal Oswal is being appointed as a Non-executive Director of the Company (Item No. 3 of the accompanying Notice) under the provisions of Section 152 of the Companies Act, 2013.

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

Mr. Jawahar Lal Oswal is 74 years of age and will reach the age of 75 years on 1st October, 2018. He is Chairman



and Non-Executive Promoter Director of the Company. He holds a Bachelor's Degree in Commerce. He has more than 54 years of experience in the Textile and Woolen industry and he is associated with the Company since 1992. He is an eminent industrialist and his leadership qualities, expertise and experience has enabled the Company to become one of the leading Integrated Textile player of the Country. He has been awarded 'Punjab Ratan Award' at the Punjab State Intellectual's Conference in 2003 by the All India Conference of Intellectuals. He was also awarded 'Udyog Ratna Award' by the PHD Chamber of Commerce and Industry in 2005, the 'LMA-Sat Paul Mittal Life Time Achievement Award' by the Ludhiana Management Association in 2012 and the 'Achievers of the North' by the Economic Times in 2013.

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

Accordingly the resolution seeking your consent/approval by way of Special Resolution, set out at Item No. 8 of the Notice, for continuation of holding of present office by Mr. Jawahar Lal Oswal as Non-executive Director even after attaining the age of 75 years, has been proposed for your approval.

Mr. Jawahar Lal Oswal may be deemed to be concerned or interested in the aforesaid resolution. Mr. Dinesh Oswal (Managing Director) and Mr. Kamal Oswal (Director), being relatives of Mr. Jawahar Lal Oswal may be deemed to be concerned or interested in the said resolution.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Resolution for your approval.

Brief resume of Mr. Jawahar Lal Oswal, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided at the end of the this Notice.

ITEM NO. 9

Prof. K.S. Maini was re-appointed as an Independent Director of the Company on 26.09.2017 to hold office for three consecutive years for a second term up to September 25, 2020 under the relevant provisions of the

Companies Act, 2013.

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

Prof. Kanwar Sain Maini is 79 years of age. He is Post Graduate in Commerce. He is an eminent educationist and having more than 36 years of experience in teaching Accounting, Finance, Management and Administration. He retired as Head of Commerce Department (Post Graduate), Govt. College, Ludhiana. He is independent of the Management and possesses appropriate skills, experience and knowledge.

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

Accordingly the Resolution seeking your consent/approval by way of Special Resolution, set out at Item No. 9 of the Notice, for continuation of holding of existing office by Prof. K.S. Maini as Independent Director of the Company after attaining the age of 75 years upto the expiry of his present term of office up to September 25, 2020, has been proposed for your approval.

Except Prof. K.S. Maini, 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. Prof. Kanwar Sain Maini holds 22 equity shares of Rs. 5/- each in the company.

The Board recommends the Resolution for your approval.

Brief resume of Prof. K. S. Maini, 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 provided at the end of the this Notice.



Information Pursuant to the provisions of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, regarding Director seeking appointment/re-appointment.

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

1.	Name:	Mr. Jawahar Lal Oswal
	Age:	74 Years
	Qualification:	Graduate
	Expertise:	Having more than 54 years of experience in Textile and Wollen Industry.

Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Jawahar Lal Oswal holds Directorship, Chairmanship and Membership of Board :

Directorship of Board :

Sr. No.	Name of the Company	Status
1.	Monte Carlo Fashions Limited	Chairman cum Managing Director
2.	Nahar Capital & Financial Services Ltd.	Chairman
3.	Nahar Poly Films Limited	Chairman
4.	Nahar Industrial Enterprises Ltd.	Chairman

Chairmanship of Board Committees: Nil

Membership of Board Committees: Nil

Shareholding in the Company: Nil

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

2.	Name:	Sh. S.K. Sharma
	Age:	65 Years
	Qualification:	M.B.A.
	Expertise:	Having more than 37 years of experience in Corporate Affairs and Marketing.

Listed Companies (other than Nahar Spinning Mills Limited) in which Sh. S.K. Sharma holds Directorship, Chairmanship and Membership of Board :

Directorship of Board :

Sr. No.	Name of the Company	Status
1.	Nahar Capital & Financial Services Ltd.	Director
2.	Nahar Poly Films Ltd.	Executive Director

Chairmanship of Board Committee : Nil

Member of Board Committee:

Sr. No.	Name of the Company	Committee
1.	Nahar Capital and Financial Services Limited	Audit Committee
2.	Nahar Capital and Financial Services Limited	Stakeholder Relationship Committee

Shareholding in the Company: Nil

Disclosure of relationship between Directors inter se: Nil

3.	Name:	Prof. Kanwar Sain Maini
	Age:	79 Years
	Qualification:	M.Com
	Expertise:	Having more than 36 years of experience in Teaching, Accounting, Finance, Business and Administration.

Listed Companies (other than Nahar Spinning Mills Limited) in which Prof. Kanwar Sain Maini holds Directorship, Chairmanship and Membership of Board :

Directorship :

Sr. No.	Name of the Company	Status
1.	Nahar Capital and Financial Services Limited	Independent Director

Chairmanship of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Capital and Financial Services Limited	Audit Committee

Member of Board Committees: Nil

Shareholding in the company: 22 Equity shares of Rs. 5/- each

Disclosure of relationship between Directors Inter se: Nil

BY ORDER OF THE BOARD

BRIJ SHARMA

DATED: 6th August, 2018 (Company Secretary)

Regd. Office:

**373, Industrial Area-A,
Ludhiana-141003**

CIN: L17115PB1980PLC004341

E-mail: secnsm@owmnaahar.com

**DIRECTORS REPORT**

Dear Members,

Your Directors have pleasure in presenting the **Thirty Eighth Annual Report** on the affairs of the company for the financial year ended 31st March, 2018.

FINANCIAL PERFORMANCE

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

(Rs. In crores)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Income (Operation and other Income)	2142.19	2154.15
Less: Total Expenses	2188.50	2086.45
Profit/Loss before Tax	-46.30	67.70
Less: Tax expenses (Including deferred tax)	-14.12	21.73
Net Profit/Loss from continuing operations	-32.18	45.97
Other Comprehensive Income	0.98	6.25
Profit/Loss for the period	-31.20	52.22

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA) vide its notification dated February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. 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 Trophy for the Highest Exports of cotton yarn in Counts 50s and below under Category III by TEXPROCIL for the year 2016-17.

We would also like to inform you that the year gone by, has been a very difficult period for Textile Industry. The increase in the prices of raw cotton without the corresponding increase in the yarn prices coupled with decline in demand for cotton yarn affected the financial performance of the Company. The exchange rate fluctuations and reduction in export incentives further aggravated the problems and affected company's performance during the year. In spite of the challenges,

Company has been able to maintain its Topline at Rs. 2142.19 crores as against Rs. 2154.15 Crores in the previous year. However, the export at Rs. 1264.05 Crores has shown a decline of 5.93% as compared to previous year. The profitability of the Company was severely impacted because of the reasons mentioned above and it suffered a loss of Rs. 31.20 crores during the year under review. The Company's Reserves (other equity) stands at Rs. 800.50 crores as on 31st March 2018.

In the current year, the outlook for the Textile Industry seems to be Positive but reduction in export incentive and high Interest rates may impact the performance of sector. Your Management expects that company will be able to put up a reasonably good performance in the Current Year.

EXPANSION PLANS

Having regard to the future outlook of the Textile Industry, your Management has decided to go in for expansion plan of 36480 spindles at a capital outlay of Rs. 150 crores, at village Simrai, Distt: Raisen, Madhya Pradesh. The Company has already started taking effective steps for implementing the said expansion plan by March, 2019. The construction work of factory building is progressing as per schedule and the orders for the plant and machinery have also been placed. It is expected that the production from the new unit will start in February/March 2019. On completion of the project, Company's spindlage capacity will stand increased to 5.34 Lakhs (appx.) spindles.

DIVIDEND

The Board, in its meeting held on 30th May, 2018 has recommended a dividend @ 10% (i.e. Rs. 0.50 per equity shares of Rs.5/- each) on paid up share capital for the year ended 31st March, 2018, out of the reserves of the company. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting scheduled to be held on 28th September, 2018. The total dividend declared (excluding dividend distribution tax) for the current year is Rs. 1.80 crores.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of the reserves of the Company to all those shareholders whose names shall appear in the Register of Members as on 11th September, 2018 or Register of beneficial Owners, maintained by the Depositories as at the close of 11th September, 2018.

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. 1148740/- (Rupees Eleven Lakhs Forty Eight Thousand Seven Hundred Forty Only) being the amount of unclaimed dividend for the year 2009-2010 to the Investor Education and Protection Fund. Further, unclaimed/unpaid dividend for the year 2010-11 shall be transferred to Investor Protection Fund pursuant to section 124(5) of the Companies Act, 2013 in November, 2018. The Company has already sent letter/notice to the shareholders informing them to claim the unclaimed dividend from the company before such transfer to the Investor Education and Protection Fund.

Besides, as per the provisions of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares on which dividend has not been paid or claimed 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 said provision of the Act, 3,69,262 (Three Lakh Sixty Nine Thousand Two Hundred Sixty Two Only) 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 have been transferred to the Demat account of IEPF Authority is also available on company's website <http://www.owmnaahar.com/spinning/pdf/NaharspinListofShareholders200809.pdf>. and the same can be accessed through the link: www.iepf.gov.in.

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.

APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Dr. (Mrs.) H. K. Bal and Dr. Y.P. Sachdeva were relieved from the office of Directors on the expiry of their terms of office on 26th September, 2017. Dr. Vijay Asdhir (DIN 006671174) and Dr. Manisha Gupta (DIN 06910242) were appointed as Independent Directors of the Company to hold office for Five (5) Consecutive years for a term upto 25th September, 2022 on 26th September, 2017. We would also like to inform you that pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and Article 117 of Article of Association of the Company, Sh. Jawahar Lal Oswal

(DIN 00463866) and Sh. Satish Kumar Sharma, (DIN 00402712) will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment to the members of the Company at the ensuing Annual General Meeting.

Further, Regulation 17 (1A) of SEBI (LODR) (Amendment) Regulations 2018, notified on 9th May, 2018 and which will be applicable w.e.f 1st April, 2019, 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 Mr. Jawahar Lal Oswal, who is a Non-Executive Chairman, is going to reach the age of Seventy Five Years on 1st October, 2018. Likewise, Prof K.S.Maini, who is Non-Executive Independent Director who hold office upto 25th September, 2020, has already attained the age of Seventy Five years. Accordingly in compliance of Regulation 17 (1A) of SEBI (LODR) (Amendment) Regulations 2018, Company has proposed two Special Resolutions in the accompanying Notice of 38th 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.

Pursuant to the provision 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 refer 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 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 2018 was discussed by the Nomination and remuneration Committee at the meeting held on 29th May, 2018 and the Board at the meeting held on 30th May, 2018

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.owmnaahar.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 3 rd 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 manager 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, 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 Parties 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 accessed at www.owmnaahar.com/spinning/pdf/RPT-NAHAR-SPINNING.pdf .
Insider Trading Policy	To provide the framework for dealing in the securities of the Company by the insiders, the Board has approved and adopted the following codes in its meeting held on 30th May, 2016 under SEBI(Prohibition of Insider Trading Regulation 2015). The Policy provides for: i. Code of practices and procedures for fair disclosure of unpublished price sensitive information. ii. Code of conduct to regulate, monitor and report trading by insiders. 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.
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 10 th 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. www.owmnaahar.com
Board Diversity Policy	The Board of Directors in their Meeting held on 12 th 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.

APPOINTMENT AND REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for 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 a 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.owmnaahar.com/spinning/pdf/NSMLAPPOINTMENTANDREMUNERATIONPOLICY.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 22nd December, 2017 without the attendance of Non Independent Directors and members of the management. All Independent Directors were present 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 Directors and Non- Executive Directors;
- iii. 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.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

All new Independent Directors inducted into the Board, attend an orientation programme. Further, 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 policies/Guidelines as framed by the Company under various statutes and SEBI (Listing Obligations and Disclosure Requirements) Regulations, to familiarize with Company's procedure and practices. Further, to update them on 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/NSML-Familiarization-Program.pdf>.

We would like to inform that the Securities Exchange Board of India vide its Notification dated 9th May, 2018 issued Regulations known as SEBI (Listing Obligation and Disclosure Requirement) (Amendment) Regulations, 2018. Likewise, the Ministry Of Corporate Affairs, New Delhi also notified Companies (Amendment) Act, 2018 on 7th May, 2018 whereby some provisions of Companies Act, 2013 were changed/amended. The Company provided copies of said Regulations as well as Companies (Amendment) Act, 2018 to all the Directors so that they can update their Knowledge in Corporate/SEBI law. Besides, an interactive session was also conducted by Mr. P.S. Bathla, a Practicing Company Secretary with all the Directors to apprise them with the salient features of the SEBI Regulations and Companies (Amendment) Act, 2018.

NO. OF BOARD MEETINGS

During the year under review, the Board of Directors met four times i.e. 30th May, 2017, 12th August, 2017, 14th November, 2017 and 10th February, 2018 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 at 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, 2018 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

Details of Loans, Guarantees 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

As reported in our last report, 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.

During the year under review, company could not spend an amount of Rs. 1.07 crores (being the 2% of the average net profits made during the three immediate preceding financial years on CSR activities) because of the deferment of the Eye Care project by the charitable medical institution. The Company also made efforts to identify projects in other areas. However, it was not able to identify meaningful projects, finalize implementation agencies and the target beneficiaries which would have created a visible impact on the society.

Due to the aforementioned reasons, the Company was not able to spend its CSR amount during the Financial Year 2017-18 till 31st March 2018. The Company remains committed towards the noble cause of social



development and has accordingly, decided to carry forward the unspent amount of Rs. 1.07 Crores for the Financial Year 2017-18 to the next year. M/s Oswal Foundation has already begun helping to run the charitable hospital for the purposes of diagnosis and treatment besides other charitable activities Under CSR already approved.

We may further inform that in July, 2018, the company has issued a cheque amounting to Rs. 2.79 Crores (which includes the amount of Rs. 1.72 crores CSR liability for Financial Year 2016-17 and Rs. 1.07 Crores for the financial year 2017-18), in favour of M/s Oswal Foundation for the purposes of promotion of charitable hospital being run by Mohan Dai Oswal Cancer Treatment & Research Foundation. Thus, with the said transfer of amount, CSR Expenditure Reserve created in the books of accounts stand fully utilized for the purpose of 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; Prof. K.S. Maini as Chairman, Sh. Dinesh Gogna and Dr. S.K. Singla, as members. Mr. Brij Sharma is the Secretary of the Committee. The Committee held four meetings during the year under review.

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. www.owmnaahar.com/spinning/pdf/vigil-mechanism.pdf 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 are pleased to inform that the Credit Rating Information Services of India Ltd. (CRISIL) in their Credit Rating Report of 27th June 2018 has re-affirmed the credit rating "A/Stable" for long term debt instruments/facilities and "A1" for the short term debt instruments/facilities. The rating "A" indicates stable and rating "A1" indicates very strong degree of safety regarding timely payment of the financial obligations. Further the CRISIL in their Credit Report of July 2018 has re-affirmed the credit rating "A1" for Rs. 235.00 Million Commercial Paper.

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 2018-19.

DEMATERIALIZATION OF SECURITIES

As the members must be aware that Companies securities are tradable compulsorily in electronic form w.e.f. 21st March, 2000. Your Company has already established connectivity with both the Depositories i.e.



National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the holding and trading of securities in electronic form. As on date 96.67% of the total Equity Share Capital of the Company has been dematerialized. The shareholders, who have not gone in for dematerialisation of shares till date, are requested to opt for dematerialisation of the shares at the earliest.

Further 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, Demat/Remat, Change of Address etc. to our Registrar at below mentioned address:

Alankit Assignments Limited
(Unit: Nahar Spinning Mills Limited)
Alankit House, 1E/13, Jhandewalan Extension
New Delhi – 110 055
Telephone No. : (011) 42541234
Fax No. : (011) 41540064
E-mail address : rta@alankit.com

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. The said amendment shall come into force on the one hundred and eightieth day from the publication of Official Gazette.

In view of the above, members are hereby informed that effective 5th December, 2018 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.

ENVIRONMENT FRIENDLY CORPORATE ENTITY

As a responsible corporate entity, your Company is sensitive to environment also and is contributing a bit to improve the ecological balance by introducing Organic Cotton yarns & Fair Trade Cotton Yarns certified by Control Union Certificate of Netherlands & F.L.O. of Germany. The Company is registered with Clean Development Mechanism (CDM) Executives Board and United Nations Framework Conventions on Climate Change (UNFCCC) Secretariat, Bonn, Germany.

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.

The Directors confirm :

- I) that in preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- II) that 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) that 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) that 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) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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. As per the proviso of section 139 (1) the matter relating to appointment of the Auditors was to be ratified by the Members at the every Annual General Meeting of the Company. The Ministry of Corporate Affairs vide its notification dated 07 May, 2018, has omitted the first proviso of section 139 of the Principal Act in sub section (1). Accordingly the Board has not proposed any resolution for the ratification of Appointment of Auditors by the Shareholders.

AUDIT REPORT

The Statutory Auditors have submitted Audit Report on the Financial Statements of the Company for the Accounting year ended 31st March, 2018. 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 from the Board.

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 Accountants, as Cost Auditors of the Company for financial year 2018-19 and has fixed 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, subject to the ratification of 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. 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 your approval.

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 2018-2019.

M/s. P.S. Bathla & Associates, Practicing Company Secretaries has carried out the Secretarial Audit for the financial year ended March 31, 2018 and their Secretarial Audit Report in Form No. MR-3 is annexed hereto as Annexure II and from part of this Report.

The Report is self explanatory and requires no comments from the Board.

BUSINESS RISK MANAGEMENT

The Company has laid down 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.

INTERNAL FINANCIAL CONTROL AND SYSTEMS

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).

Mr. Sandeep Gupta Chartered Accountant, resigned w.e.f. 31st March, 2018 from Internal Auditorship of the Company. The Board accepted his resignation. Further, the Board pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, appointed S.C. Vasudeva & Co., Chartered Accountants as Internal Auditors of the Company for the financial year 2018-19. The Company is also having Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems lay 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 2017-18, the Company has not received any complaints on sexual harassment and hence no complaint remains pending as of 31st March, 2018.

ANNUAL RETURN

The Extract of Annual Return of the Company, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2017-18 in the Form MGT-9 has been uploaded on Company's website at <http://www.ownahar.com/spinning/pdf/MGT-9.pdf> as the requirement of attaching the extract of Annual Return with Board's Report has been done away by Section 36 of Companies (Amendment) Act, 2017 notified by Ministry of Corporate Affairs, New Delhi, vide its Notification dated 31st July, 2018.

PARTICULARS OF EMPLOYEES

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 in point VI of the ANNEXURE III annexed hereto and form part of this report.

During the year under review, Sh. Dinesh Oswal, Managing Director of the Company has been paid a remuneration of Rs. 58371178/- for financial year 2017-18, as per the approval of the Central Government vide its letter no. SRN G41303728/2017-CL-VII dated 26th December, 2017. He has also been paid arrears of salary amounting to Rs. 10633250/- for the year 2016-17 during the year under review.

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 along with the Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in part C of Schedule V of the SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015 is annexed hereto as Annexure-V and form 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 forms part of this 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.

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: 6th August, 2018

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

**ANNEXURE- I****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

- 1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.** Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee 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 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.owmnaahar.com/nsm/>.
- 2. Composition of the CSR Committee:** Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has also constituted Corporate Social Responsibility Committee comprising of three Directors namely:
 - Sh. Dinesh Oswal, Chairman (Managing Director)
 - Dr. S.K. Singla, Member (Independent Director)
 - Sh. Dinesh Gogna, Member (Director)
- 3. Average net profit of the Company for last three financial years:** Rs.53.61 Crores
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :** Rs. 1.07 Crores
- 5. Details of CSR spend for the financial year:**
 - (a) Total amount spent for the financial year: Nil
 - (b) Amount unspent, if any: *1.07 crores
 - (c) **Manner in which the amount spent during the financial year :**The Company for its Corporate Social Responsibility obligation (herein after referred to as "CSR") tied up with M/s Oswal Foundation for undertaking its CSR obligations. The said organization has done various activities under CSR. Based on the discussions with the foundation, the Company identified the project for setting up the Eye Care Center in a charitable hospital for which estimate amount of expenditure to be incurred was Rs. 8 – 10 Crores (app.). However, the project had to be deferred by the charitable medical institution. The Company also made efforts to identify projects in other areas. However, it was not able to identify meaningful projects, finalize implementation agencies and the target beneficiaries which would have created a visible impact on the society.

Due to the aforementioned reasons, the Company was not able to spend its CSR amount during the Financial Year 2017-18 till 31st March 2018. The Company remains committed towards the noble cause of social development and has accordingly, decided to carry forward the unspent amount of Rs. 1.07 Crores for the Financial Year 2017-18 to the next year. M/s Oswal Foundation has already begun helping to run the charitable hospital for the purposes of diagnosis & treatment besides other charitable activities Under CSR already approved. Accordingly the company has issued a cheque amounting to Rs. 2.79 Crores (which includes the amount of Rs. 1.72 crores CSR liability for Financial Year 2016-17 and Rs. 1.07 Crores for the financial year 2017-18) in the month of July 2018, in favour of M/s Oswal Foundation for the purposes of promotion of charitable hospital being run by Mohan Dai Oswal Cancer Treatment & Research Foundation. Thus, with the said transfer of amount CSR Expenditure Reserve created in the books of accounts stand fully utilized for the purpose of CSR activities.

Besides, we would also like to update the information regarding the ongoing CSR project, being undertaken by M/S



Oswal Foundation on behalf of the Company/ Group Companies. The information is as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1. Local area or other 2. Specify the State & District where project or programs was undertaken	Amount Outlay (Budget) project or Programs Wise	Amount Spent to the Projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting Period	Amount Spent direct or through implementing agency
1.	A. Government Primary School at: 1. Village Jodhan Distt. Ldh 2. Gaispura Ldh. 3. Jamalpur Ldh. 4. VRTC Ldh.	Promotion of Education	(1) (a) Local Area (2) State Punjab Ludhiana.		Rs. 98.86 Lakhs	Rs. 165.53 Lakhs	Through Oswal Foundation a Charitable Trust
2.	A. Maintenance of Fountain Chowk, Beautification & Maintenance of G.T. Road and Maintenance of Park at Vansathali Doraha For General public	Ensuring Environmental Sustainability	(1) Local Area (2) State-Punjab, Ludhiana		Rs. 15.89 Lakhs	Rs. 15.89 Lakhs	Through Oswal Foundation a Charitable Trust
3.	Others 1. Sports 2. Construction of Road under Bharat Nirman and other activities	Social Business Projects	(1) other Area (2) State-Punjab, Patiala (1) other area (2) State Rajasthan Village Jatisara, Tehsil Phalodi, Jodhar	Rs. 10.81 Lakhs Rs. 43.95 Lakhs	Rs. 10.81 Lakhs Rs. 43.95 Lakhs	Rs. 10.81 Lakhs Rs. 43.95 Lakhs	Through Oswal Foundation a Charitable Trust

6. Reasons for not spending the two percent of the average net profits of the last three financial years:

The Company joined hands with the other group companies for undertaking CSR activities under one umbrella through a Special Purpose Vehicle (SPV), a recognized charitable Organization, M/s Oswal Foundation. The project of Eye Care Center in a charitable hospital at an estimated amount of expenditure to the tune of Rs. 8-10 crores, had to be deferred by the said charitable medical institution. The Company also made efforts to identify projects in other areas. However, it was not able to identify meaningful projects, finalize implementation agencies and the target beneficiaries which would have created a visible impact on the society.

Due to the aforementioned reasons, the Company was not able to spend its CSR amount during the Financial Year 2017-18 i.e. till 31st March 2018. However, in July, 2018, company has issued a cheque amounting to Rs. 2.79 Crores (which includes the amount of Rs. 1.72 crores CSR liability for Financial Year 2016-17 and Rs. 1.07 Crores for the financial year 2017-18), favoring M/s Oswal Foundation, for undertaking CSR Activities including the promotion of charitable hospital, being run by Mohan Dai Oswal Cancer Treatment & Research Foundation, for and on behalf of the Company along with the other Group Companies.

7. A responsibility statement of the CSR Committee: The members of the CSR Committee hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place - Ludhiana
Date- 6th August, 2018

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

**Annexure-II****Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st March, 2018****[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
M/s Nahar Spinning Mills Ltd
373 Industrial Area, Phase A
Ludhiana-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, 2017 to 31st March, 2018 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, 2018** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not Applicable as the Company has not issued further capital during the financial year under review**)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; (**Not Applicable, as the Company has not made any such scheme during the Audit Period under review**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not Applicable, as the Company has not issued Debt Securities during the Audit Period under review**)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review**);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (**Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review**).
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; (**Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review**.)
- VI. Textiles (Development and Regulation) Order, 2001
I have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India
 - (ii) The SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015
I Report that during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

2. I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-



Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of Act.

- Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 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: 6th August, 2018

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-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.

Place: Ludhiana

Date:6th August, 2018

For P S Bathla & Associates

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**

(I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 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 2017-18	% increase in Remuneration in the Financial Year 2017-18	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	40000	Nil	0.23	
2	Sh. Dinesh Oswal Managing Director	*69004428	2.71	398.87	Company suffered a loss of Rs. 31.20 Crores as against profit of Rs. 52.22 Crores in the P.Y.
3	Sh. Kamal Oswal Non-Executive Director	40000	Nil	0.23	
4	Sh. Dinesh Gogna Non-Executive Director	40000	Nil	0.23	
5	Sh. S.K. Sharma Non-Executive Director	40000	Nil	0.23	
6	Dr. S.K. Singla Non-Executive Director	40000	Nil	0.23	
7	Prof. K.S. Maini Non-Executive Director	30000	Nil	0.17	
8	Dr. A.S. Sohi Non-Executive Director	20000	-33.33	0.12	
9	#Dr. Manisha Gupta Non-Executive Director	20000	N.A.	0.12	
10	#Dr. Vijay Asdhir Non-Executive Director	20000	N.A.	0.12	
11	#Dr. (Mrs.) H.K. Bal	20000	-50.00	0.12	
12	#Dr. Yash Pal Sachdeva	Nil	N.A.	N.A.	
11	Sh. Anil Garg Chief Financial Officer	2061944	9.65	N.A.	Company Suffered a loss of Rs. 31.20 Crores as against profit of Rs. 52.22 Crores in the P.Y.
12	Mr. Brij Sharma Company Secretary	1965493	7.28	N.A.	

Note*1. The Remuneration paid includes PF Contribution and arrears of Remuneration amounting to Rs. 10633250/- relating to year 2016-17 but paid in the year 2017-18.

Note*2. Pursuant to the provisions of Section 197 of the Companies Act, 2013, the Central Government vide its letter no. SRN G41303728/2017-CL.VII dated 26th December, 2017 has given approval for payment of remuneration at Rs. 7,99,73,000 for the calendar year 2017, Rs. 9,19,69,000 for the calendar year 2018 and Rs. 10,57,64,000 for the calendar year 2019 to Mr. Dinesh Oswal, Managing Director of the Company which he may draw from M/S Nahar Spinning Mills and M/S Nahar Capital and Financial Services Ltd. or partly from the first and remaining from the Second Company. Accordingly the Company paid a Remuneration of Rs. 58371178/- as Salary from 1st April 2017 to 31st March, 2018. He has also been paid arrears of salary amounting to Rs. 10633250/- for the year 2016-17 during the year under review.

On the expiry of term of office, Dr. (Mrs.) H.K. Bal and Dr. Yash Paul Sachdeva, ceased to be the directors of the Company w.e.f. 26th September, 2017.

Dr. Vijay Asdhir and Dr. Manisha Gupta, were appointed as Independent Directors of the Company w.e.f. 26th September, 2017.

- The median remuneration of employees of the Company during the financial year was Rs. 1.73 Lakhs (approx.).
- In the financial year, there was an increase of 29.10 % in the median remuneration of employees
- There were 12856 permanent employees on the rolls of Company as on March 31, 2018.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 28.54 % whereas the increase in the managerial remuneration for the same financial year was 2.71%.
- 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 on received (in Rs.)	Nature of employment (contractual or otherwise)	Qualification on & 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	*69004428	Contractual	B.com	01.01.1987	54	Oswal Woollens Mills Ltd.	0.07	1. S/o. Sh. J.L. Oswal Chairman 2. B/o Sh. Kamal Oswal
2.	Sh. T. Chandar Mohan Chief executive	2775831	Regular	D.T.T. 50 Years	12.06.1996	71	Malwa Cotton Spinning Mills Ltd.	N.A.	No
3.	Sh. S.D. Avasthi G.M.	2367333	Regular	B.Text 38 Years	14.05.1992	62	Vardhman Polytext Ltd.	N.A.	No
4.	Sh. Mukesh Rustogi	2182521	Regular	B.Text 34 Years	01.12.2015	55	Oswal cotton Spinning Mills Doraha	N.A.	No
5.	Sh. Sukhdev Singh Grewal	2172746	Regular	Dip. in textile chemistry 37 Years	29.05.1993	58	Punjab Wool cumber Ltd.	N.A.	No
6.	Sh. S.K. Bhatt G.M (T)	2150248	Regular	B.Text 32 Years	14.08.2014	56	Maral overseas Ltd.	N.A.	No
7.	Sh. P.K. Vashishth (FC)	2086450	Regular	FCA 31 Years	06.09.1993	55	Hero cycles Ltd.	N.A.	No
8.	Sh. Anil Garg	2061944	Regular	FCA 31 Years	02.01.1993	60	Nahar Fiber Ltd.	N.A.	No
9.	Sh. Ashwani Aggarwal G.M. (Export)	2050590	Regular	FCA 32 years	06.01.1986	56	N.A.	N.A.	No
10.	Sh. Anil Anand	2021091	Regular	Post Graduate 33 Years	11.01.1995	55	Malwa cotton spinning Mills. Ltd.	N.A.	No

FOR AND ON BEHALF OF THE BOARD

**PLACE: LUDHIANA
DATED: 6th August, 2018**

**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) Steps 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. The company has taken following measures for energy conservation:

- i) The Company has replaced old florescent tube light with LED 15 Watt tube light leading to substantial reduction of energy consumption.
- ii) The Company is getting Unity Power Factor with counter balancing by APFC Panel and getting rebate Power Bill as well as reducing the line losses.
- iii) The Company has installed roof top solar in its spinning units which is generating green energy and also resulting in saving of electricity cost.
- iv) The company has installed efficient fan motors in Compact Ring frame System which has reduced the load from 11 KW to 7.5 KW. Likewise, Old machinery is being replaced with new ultra modern machinery to save on electricity consumption.
- v) Company has been able to save Power Consumption of 3 K W by modification of fan in blow room.

b) Steps taken for utilising alternate sources of energy

The Company has already set up two Roof top solar project at its Spinning Units—one at Village Jodhan, Distt Ludhiana and the other one at Village Lalru and Lelhi, Distt. S.A.S. Nagar. The Company is also planning to install solar roof top panel and solar water heater for yarn conditioning, in its unit at Mandideep in the state of Madhya Pradesh.

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:

Efforts made towards Technology Absorption

- 1. The Company has installed latest generation of contamination sorter Loptex Centra, Loptex Optosonic from Italy, Vision Shield from Jossi, Switzerland and I-scan from Nestling, Coimbatore
- 2. The Company has installed Schlaforst AC_6 autoconer having Loepe Cleaner (Zeinth+) with foreign matter & polypropylene clearing system from Germany to get the world class yarn.
- 3. 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 though R&D monitoring. This has enabled the Company to meet ever increasing expectations of its customers.
- 4. The Companies R&D department is equipped with latest innovated state of the art yarn Tester (UT-JET) and yarn regularity tester (UT-5) which helps

the Company in meeting quality as per international norms. The R&D efforts are focused not only on productivity, quality improvement with waste reduction but also developing value added products like Multi Slub yarn, Multi Count with Multi Slub yarn & Multi Twist Yarn, 100% Organic cotton and Organic cotton blends, B.C.I. Cotton & Cleaner Cotton, Polyester Cotton blends, Specialty yarn (Magic Yarn), Cotton Modal Blend, Melange yarn in different shade and blends for overseas & domestic Markets.

• Benefits derived

The company has not only improved its product quality and productivity but has also reduced its manufacturing costs. The Company has been able to project its image in the World Markets as a Manufacturer of 'world class yarn' which has enabled it to compete in the global markets and increase its market share.

• 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

• Expenditure on R & D

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (I) Activities relating to Exports, initiative taken to increase exports, Development of New Export Markets for products and export plans
- 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 a very competitive rates so that it can compete with Inter-national suppliers and maintain a steady growth of exports.

	(In Lakhs)	
	Current Year	Previous Year
(II) Total Foreign Exchange used and earned		
a) Earnings (FOB value of Exports etc.)	125167.03	134228.40
b) Outgo (CIF value of Imports, expenditure in foreign currency and other payments)	12702.55	10267.41

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA

JAWAHAR LAL OSWAL

DATED: 6th August, 2018

(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 an attainment of highest level of transparency and 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 (hereinafter referred to as "SEBI LODR Regulations, 2015") incorporate certain mandatory disclosure requirements which are required to be made with regard to Corporate Governance (Part C of Schedule V). Further, the SEBI vide its circular dated 9th May, 2018 has amended few Regulations of SEBI LODR Regulations, 2015, through SEBI LODR (Amendment) Regulations, 2018, which shall be applicable as specifically provided in these Regulations. Accordingly we are pleased to report on the Corporate Governance as hereunder: -

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

Your Management believe that well informed and Independent Board is necessary to ensure High Standard of Corporate Governance. The Regulation 17 of SEBI LODR Regulations, 2015 prescribe that the Board of the Company should have the optimum combination of Executive and Non-executive directors with at least one 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, 2018 is Ten Directors. Mr. Dinesh Oswal is Managing Director of the Company and Sh. Jawahar Lal Oswal is Non-Executive Chairman. Mr. Jawahar Lal Oswal, is also one of the promoter of the Company, accordingly in compliance with Regulations 17 (1) (b) of SEBI LODR Regulations, 2015, the Company's Board consist of half of the Board as Independent Directors Prof. K.S. Maini, Dr.

Suresh Kumar Singla, Dr. Amrik Singh Sohi, Dr. Vijay Asdhir and Dr. Manisha Gupta a Women Director, are Independent Non-Executive Directors of the Company. Sh. Kamal Oswal, Sh. Dinesh Gogna and Sh. S.K. Sharma are other Non-executive Directors of the Company. Thus the Company has already complied the Regulation 17(b) of SEBI LODR Regulations, 2015.

Further, Regulation 17 (1A) of SEBI (LODR) (Amendment) Regulations 2018, notified on 9th May, 2018 and which shall be applicable w.e.f 1st April, 2019, 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 Mr. Jawahar Lal Oswal, who is a Non-Executive Chairman, is going to reach the age of Seventy Five Years on 1st October, 2018. Likewise, Prof K.S.Maini, who is Non-Executive Independent Director and hold office upto 26th September, 2020 has already reached the age of Seventy Five years. Accordingly in compliance of Regulation 17 (1A) of SEBI (LODR) (Amendment) Regulations 2018, Company has proposed two Special Resolutions in the accompanying Notice of the 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.

The new Regulation also provides that a Women Director who is on the Board should be Independent. We would like to inform you that Dr. (Mrs.) Manisha Gupta who is a Women Director on the Board is an Independent Director and thus, Company has already complied the Regulation 17 of SEBI (LODR) (Amendment) Regulations 2018.

b. Number of 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 SEBI LODR Regulations, 2015, every Company is required to hold a 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 30th May, 2017, 12th August, 2017, 14th November, 2017 and 10th February, 2018 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 Attendance record of Directors in the Board Meeting during the year 2017-18 and last Annual General Meeting held on Tuesday, 26th day of September, 2017 is given here under:

Name of Director	Category of Directors	No. of other Directorship (excluding private company)	No. of Committee membership		No. of Board Meeting attended	AGM Attendance	No. of Shares held
			Member	Chairman			
Sh. Jawahar Lal Oswal	Non Executive-Promoter	9	*	*	4	No	Nil
Sh. Dinesh Oswal	Executive- Promoter	9	*	*	3	Yes	23766
Sh. Kamal Oswal	Non Executive - Promoter	9	1	*	4	Yes	24750
Sh. Dinesh Gogna	Non Executive	9	4	2	4	Yes	Nil
Sh. S.K. Sharma	Non Executive	2	2	0	4	No	Nil
*Dr. (Mrs.) H.K. Bal	Independent	2	2	1	2	No	Nil
*Dr. Yash Paul Sachdeva	Independent	3	3	0	*	No	Nil
Prof. K.S. Maini	Independent	1	*	1	3	Yes	22
Dr. S.K. Singla	Independent	5	3	3	4	Yes	Nil
Dr. Amrik Singh Sohi	Independent	4	1	1	2	No	Nil
#Dr. (Mrs.) Manisha Gupta	Independent (Women Director)	4	2	1	2	No	Nil
#Dr. Vijay Asdhir	Independent	3	2	1	2	Yes	Nil

Note:- *On the expiry of term of office, Dr. (Mrs.) H.K. Bal and Dr. Yash Paul Sachdeva, ceased to be the directors of the Company w.e.f. 26th September, 2017.

#Dr. Vijay Asdhir and Dr. Manisha Gupta, were appointed as Independent Directors of the Company w.e.f. 26th September, 2017.

d. Number of other Board of Directors or Committees 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, 2018, 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. Independent Directors are holding Directorship as per the limit specified in Regulation 26(1) SEBI (Listing Obligations and Disclosure Requirements) 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 (Listing Obligations and Disclosure Requirements) 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:

Sh. Dinesh Oswal who is a Managing Director of the Company is Holding 23766 equity shares of Rs. 5 each of the Company. Sh. Kamal Oswal Non-Executive Promoter Director is holding 24750 equity shares of Rs. 5 each of the Company. Likewise, Prof. K.S. Maini who is an Independent Director is also holding 22 equity shares of Rs. 5 each of the Company. None of the other Non-Executive Directors are holding any share and convertible instruments issued by 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://owmnaahar.com/spinning/pdf/NSML-Familiarization-Program.pdf>

h. 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 at least 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 22nd December, 2017, 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.

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.

III. 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 the SEBI LODR Regulations, 2015 and Section 177(4) of Companies Act, 2013.

b. Composition:

The Audit Committee is comprised of non Executive and Independent Directors under the chairmanship of Prof. K.S. Maini, who is an Independent Director. Mr. Dinesh Gogna is Non Executive Director and Dr. S. K. Singla an Independent Director, are the other two members of the Audit Committee. There has been no change in the composition of the committee during the year. Prof. K.S. Maini is a Post Graduate in Commerce. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana. He is having requisite expertise in Financial and Accounting matters. Dr. 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 39 years of experience in corporate Finance, Taxation, Financial and Accounting matters. Mr. Brij Sharma is the Company 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 Audit Committee helps the Board in monitoring Company's financial reporting process and ensures

timely and accurate disclosure. Besides the committee also oversees the work of internal and statutory auditors.

c. Meetings and Attendance

During the financial year 2017-18, the Committee met four times i.e. on 29th May, 2017, 12th August, 2017, 14th November, 2017 and 10th February, 2018, for reviewing and adopting the quarterly un-audited financial results as well as the financial statements for the year ended 31st March, 2017 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 2017-18 is as under:

Name of the Member	No. of meetings held	No. of meetings attended
Prof. K.S. Maini	4	3
Sh. Dinesh Gogna	4	4
Dr. S.K. Singla	4	4

IV. 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 SEBI LODR Regulations, 2015 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".

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 thrice during the year i.e. on 29th May, 2017, 12th August, 2017, and 15th January, 2018 during the year under review. The attendance record at the meetings



held during the year 2017-18 is as follows:

Name of the Member	No. of meetings held	No. of meetings attended
Dr. S.K. Singla	3	3
Dr. A.S. Sohi	3	1
*Dr. (Mrs.) H.K. Bal	3	2
*Dr. (Mrs.) Manisha Gupta	3	1

*On the expiry of term of office, Dr. (Mrs.) H.K. Bal, ceased to be the director as well as member of the Committee w.e.f. 26th September, 2017 and Dr. Manisha Gupta an Independent Director, was appointed as member of the Committee w.e.f. 26th September, 2017.

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 2017-18 is as follows:

Name of Director	Sitting Fees (Rs.)
Mr. Jawahar Lal Oswal	40,000.00
Mr. Dinesh Oswal	NIL
Mr. Kamal Oswal	40,000.00
Mr. Dinesh Gogna	40,000.00
Mr. S.K. Sharma	40,000.00
Prof. K.S. Maini	30,000.00
Dr. S.K. Singla	40,000.00
Dr. Amrik Singh Sohi	20,000.00
*Dr. (Mrs.) H.K. Bal	20,000.00
*Dr. Yash Paul Sachdeva	NIL
#Dr. Vijay Asdhir	20,000.00
#Dr. (Mrs.) Manisha Gupta	20,000.00
Total	3,10,000.00

Note:- *On the expiry of term of office, Dr. (Mrs.) H.K. Bal and Dr. Yash Paul Sachdeva, ceased to be the directors of the Company w.e.f. 26th September, 2017.

Dr. Vijay Asdhir and Dr. Manisha Gupta, were appointed as Independent Directors of the Company w.e.f. 26th September, 2017.

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 pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013. 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 2017-18 is as follows:

Name of the Director	Salary	Benefits	Bonuses	Stock Options	Pension	Total
Dinesh Oswal	*69004428	-	-	-	-	69004428

Note: * Pursuant to the provisions of Section 197 of the Companies Act, 2013, the Central Government vide its letter no. SRN G41303728/2017-CL.VII dated 26th December, 2017 has given approval for payment of remuneration of Rs. 7,99,73,000 for the calendar year 2017, Rs. 9,19,69,000 for the calendar year 2018 and Rs. 10,57,64,000 for the calendar year 2019 to Mr. Dinesh Oswal, Managing Director of the Company which he may draw from M/S Nahar Spinning Mills Ltd. or M/S Nahar Capital and Financial Services Ltd. or partly from the first and remaining from the Second Company. Accordingly the Company paid a Remuneration of Rs. 58371178/- as Salary from 1st April 2017 to 31st March, 2018. He has also been paid arrears of salary amounting to Rs. 1,06,33,250/- for the year 2016-17 during the year under review.

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 remuneration as per Central Government 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 Director 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, dematerialization of shares, Non receipt of Dividend, Share Certificates 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. (Mrs.) Manisha Gupta. 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, 2017 to 31st March, 2018 i.e. on 29th May, 2017, 12th August, 2017, 14th November, 2017 and 10th February, 2018. The attendance record at the meeting held during the year 2017-18 is as follow:-

Name of the Member	No. of meetings held	No. of meetings attended
*Dr.(Mrs.) H.K. Bal	4	2
*Dr. Vijay Asdhir	4	2
Sh. S.K. Sharma	4	4
Dr. A.S. Sohi	4	2

*On the expiry of term of office, Dr. Mrs. H.K. Bal, ceased to be the director as well as member of the Committee w.e.f. 26th September, 2017 and Dr. Vijay Asdhir an Independent Director, was appointed as member cum chairman of the Committee w.e.f. 26th September, 2017.

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 redressal of the grievances of the shareholders and has attended to the investors correspondence/grievances within a period of 7 to 10 days from the date of its receipt. The details of Investors' complaints received/resolved/not solved to the satisfaction of shareholders/pending is given herebelow:

No. of complaints received during the year : 05
No. of complaints resolved during the year : 05

No. not solved to the satisfaction of shareholder : NIL

No. of complaints pending as on 31st March, 2018 : NIL

f. Dedicated e-mail for Investor Grievance

To enable investors to register their grievances, the company has designated an exclusive e-mail id gredressalnsml@owmnaahar.com

IV. OTHER COMMITTEE

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 twenty Four times during the year under review i.e. 15th April, 2017, 29th April, 2017, 15th May, 2017, 30th May, 2017, 15th June, 2017, 30th June, 2017, 15th July, 2017, 31st July, 2017, 16th August, 2017, 1st September, 2017, 15th September, 2017, 28th September, 2017, 16th October, 2017, 31st October, 2017, 15th November, 2017, 30th November, 2017, 15th December, 2017, 30th December, 2017, 15th January, 2018, 31st January, 2018, 15th February, 2018, 28th February, 2018, 16th March, 2018 and 31st March, 2018 and the attendance record of the members at the meetings held during the year 2017-18 is as follows:-

Name of the Member	No. of meetings held	No. of meetings attended
Sh. Dinesh Oswal	24	24
Sh. Dinesh Gogna	24	21
Sh. S.K. Sharma	24	24
Sh. Brij Sharma	24	24

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 remain 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.owmnaahar.com/spinning/pdf/NaharspinListofShareholders200809.pdf>. 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, 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 the 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.ownahar.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 overseas 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 twice i.e. on 12th August, 2017 and 31st March, 2018. The attendance record of members at the meeting held during the year 2017-18 is as follow:-

Name of the Members	No. of meetings held	No. of meetings attended
Sh. Dinesh Oswal	2	2
Dr. S.K. Singla	2	2
Sh. Dinesh Gogna	2	2

The CSR Report as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, for the year ended 31st March 2018 is attached as per Annexure I to the Board Report.

3. RISK MANAGEMENT COMMITTEE:

As per the provisions of Regulation 21 of SEBI LODR Regulations, 2015, Top 100 listed entities determined on the basis of market capitalization as at the end of immediate previous financial year shall constitute a Risk Management Committee. We would like to inform you that the Company does not fall under the said category and accordingly, the Regulation 21 is not applicable to the Company. However, No business is free from Normal Business Risks i.e. Financial Risk, Exchange Risk, Cotton Prices Risk, policy Risk, Global Risk etc. The Audit Committee takes care of the Company's risk

policies and reviews the same in its meeting so that the Company could face the challenges and risk associated with the Business successfully and become a Global competitive Company.

V. GENERAL BODY MEETINGS

- (i) The details of the last three Annual General Meetings are as under:-

Financial year	Location	Date	Time
2014-2015	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2015	11:30 A.M.
2015-2016	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2016	11:30 A.M.
2016-2017	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	26.09.2017	11:00 A.M.

(ii) Whether any Special Resolutions passed in the previous three Annual General Meetings:

2014-15

No Special resolution was passed

2015-16

To reappoint Mr. Dinesh Oswal, as Managing Director of the Company for a period of five years w.e.f 1st January 2017 to 31st December 2021.

2016-17

- To re-appoint Dr. Suresh Kumar Singla, as an Independent Director to hold office for a Second term of 5 (five) Consecutive years.
- To re-appoint Dr. Amrik Singh Sohi, as an Independent Director to hold office for a Second term of 5 (five) Consecutive years.
- To re-appoint Prof. K.S. Maini, as an Independent Director to hold office for a Second term of 3 (three) Consecutive years.

(iii) Whether Special Resolution passed last year through postal ballot.

No Special resolution was passed during the financial year ended 31.03.2018 through postal ballot.

iv) Person who conducted the postal ballot exercise:

Not applicable as no special resolution was passed during the financial year ended 31.03.2018 through postal ballot.

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

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

vi) 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.

VI. 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.owmnaahar.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.owmnaahar.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.owmnaahar.com.

VII. GENERAL SHAREHOLDERS INFORMATION**1. Annual General Meeting:**

Date : September 28, 2018
Day : Friday
Time : 11:00 a.m.
Venue : Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

2. Financial Year : The Financial year of the Company covers 1st April 2017 to 31st March, 2018.

3. Dividend Payment Date : On or Before 8th Oct., 2018

4. Date of Book Closure : 12th September to 14th September, 2018 (Both days inclusive)

5. 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 5th Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East) Mumbai-400051.

The BSE Limited, 25th Floor, P.J. Towers, Dalal Street, Mumbai-400001.

The listing fees payable to BSE and NSE for 2018-19 have been paid in full by the Company.

6. Stock Code :

For trading at NSE : NAHARSPING

For trading at BSE : 500296

7. Demat ISIN number : INE290A01027

The annual custodian fees for the financial year 2018-19 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8. 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, 2017 to March, 2018 are as follows:

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2017	153.95	137.00	154.35	136.00
May, 2017	149.30	121.45	149.40	121.60
June, 2017	131.40	118.90	132.25	118.25
July, 2017	136.95	121.15	136.85	121.05
August, 2017	131.00	101.15	127.50	100.45
September, 2017	119.50	98.50	119.90	98.35
October, 2017	129.00	100.10	129.15	100.35
November, 2017	130.40	105.30	130.09	104.70
December, 2017	131.70	105.70	132.05	105.45
January, 2018	137.90	115.00	137.80	116.10
February, 2018	120.00	103.10	120.50	102.30
March, 2018	105.00	85.15	105.50	85.05

Source:- Data has been taken from the website of the Bombay Stock Exchange and National Stock Exchange. The Company does not have any other sources for verification of data.

9. 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, 2017 to March, 2018 is as under:

Financial Year	Share price of Nahar Spinning Mills Ltd.				BSE Sensex			
	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age Change over last Month's Closing	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age Change over last Month's Closing
Year 2016-2017								
April, 2017	153.95	137.00	145.30	7.39	30184.22	29241.48	29918.40	1.01
May, 2017	149.30	121.45	127.60	-12.18	31255.28	28804.12	31145.80	4.10
June, 2017	131.40	118.90	121.75	-4.58	31522.87	30680.66	30921.61	-0.72
July, 2017	136.95	121.15	125.80	3.33	32672.66	31017.11	32514.94	5.15
August, 2017	131.00	101.15	110.15	-12.44	32686.48	31128.02	31730.49	-2.41
September, 2017	119.50	98.50	101.40	-7.94	32524.11	31081.83	31283.72	-1.41
October, 2017	129.00	100.10	119.55	17.90	33340.17	31440.48	33213.13	6.17
November, 2017	130.40	105.30	109.25	-8.62	33865.95	32683.59	33149.35	-0.19
December, 2017	131.70	105.70	127.50	16.70	34137.97	32565.16	34056.83	2.74
January, 2018	137.90	115.00	117.05	-8.20	36443.98	33703.37	35965.02	5.60
February, 2018	120.00	103.10	104.80	-10.47	36256.83	33482.81	34184.04	-4.95
March, 2018	105.00	85.15	86.50	-17.46	34278.63	32483.84	32968.68	-3.56

Source:- Data has been taken from the Website of the Bombay Stock Exchange Limited. The Company does not have any other sources for verification of data.

10. 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.

11. 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, 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.

12. 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 has 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.

13. DISTRIBUTION OF SHAREHOLDING

As on 31st March, 2018, your Company had 32161 shareholders having a total of 3,60,65,303 Equity Shares. The following is the distribution of Shareholding:

No. of Shares held	No. of Share Holders	% of Share Holders	Aggregate No. of Shares Held	% of Share Holding
1-500	28910	89.89	3873264	10.74
501-1000	1718	5.34	1323879	3.67
1001-2000	764	2.38	1145087	3.18
2001-3000	256	0.80	662267	1.84
3001-4000	119	0.37	426353	1.18
4001-5000	95	0.29	441639	1.22
5001-10000	159	0.49	1140303	3.16
10001 and above	140	0.44	27052511	75.01
Total	32161	100.00	3,60,65,303	100.00

14. THE SHAREHOLDING PATTERN AS ON MARCH 31, 2018 AS FOLLOWS:

Shares held by	No. of Shares	% of shareholding
Banks and Mutual Funds	118213	0.33
Foreign holdings		
(FII, NRIs, OCBs)	102010	0.28
Trust	480	0.00
Bodies Corporate	1319445	3.66
Directors/Relatives of Directors	22	0.00
General Public	10776446	29.88
Promoter	23379425	64.83
Shares Transferred to IEPF	369262	1.02
Total	36065303	100.00

15. 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. As on 31st March, 2018, 34865646 equity shares comprising 96.67% of the total Equity Capital of the Company has been dematerialized. Shares of the Company are actively traded on the BSE Limited and the National Stock Exchange of India Limited.



Further, 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. The said amendment shall come into force on the one hundred and eightieth day from the publication of Official Gazette.

In view of the above, members are hereby informed that effective 5th December, 2018 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.

16. 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.

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

The Company is in the Manufacturing of 'Textiles' and has not dealt in any commodity market and thus there is no commodity price risk. Since the Company is in the business of export of Yarns/Garments, 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.

18. PLANT LOCATIONS :

373, Industrial Area-A, Ludhiana
427, Industrial Area-A, Ludhiana
Dhandari Kalan, G.T. Road, Ludhiana
Village Simrai, 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

- 19. Address for** : NAHAR TOWER
Correspondence 373, Industrial Area-A,
Ludhiana - 141 003 (Pb.)
Phone No. : 0161-2665000
Fax No. : 0161-2661180, 2222942
E-mail address : secnsm@owmnaahar.com
Website : www.owmnaahar.com

VIII. 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 / transaction 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 at 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 laws / Regulations of Stock Exchanges, SEBI or any other Statutory Authorities on all matters related to capital markets 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 victimisation 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://owmnaahar.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 under SEBI LODR Regulations, 2015. Besides, the Company has also complied with some of 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. **Separate posts of Chairman and CEO:** Mr. Jawahar Lal Oswal is the Chairman of the Company and Mr. Dinesh Oswal is Managing Director of the Company. Thus the post of Chairman and Managing Director are held by different persons.
- iii. **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.

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

The Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, which can be accessed at <http://www.owmnaahar.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 cotton with the share of around 60% of total cost. The cotton being a seasonal agriculture produce, its supply, quality and price are subject to the forces of nature i.e. Monsoon. The Company purchases the raw cotton as per the Company's 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. 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.

9. Reconciliation of Share Capital Audit

The Securities and Exchange Board of India has directed vide Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid up 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.

10. 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 30.05.2018.

IX. 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-para (2) to (10) of Part C of Schedule V of SEBI LODR Regulations, 2015.

X. 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.

XI. 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.

XII. 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: 6th August, 2018**

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

MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Schedule V of SEBI LODR 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, 2018.

**Place: Ludhiana
Dated: 6th August, 2018**

**Dinesh Oswal
Managing Director
DIN: 00607290**



CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Nahar Spinning Mills Limited

We have examined the compliance of conditions of corporate governance by NAHAR SPINNING MILLS LIMITED for the year ended 31st March, 2018 as stipulated Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 YAPL & Co., Chartered Accountants

Firm Reg. No. 017800N

PRIYANKA SHOREE

(Partner)

Place: Ludhiana

Dated: 6th August, 2018

M.No. 538274

**ANNEXURE - VI****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ECONOMIC SCENARIO**

India has emerged as the faster growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). It is expected to be one of the top three economic powers of the world over the next 10-15 years. The global economy too has started witnessing upswing on the back of growth momentum in Advanced as well as Emerging economies of the world and it is estimated to grow at 3.1% in the year 2018. (Source: Global Economic Prospects - A World Bank Group Report)

The Indian Economy too, has started witnessing a decent growth on the strength of growing domestic demand and push to the Public Infrastructure spending by the Government of India. The Initial challenges posed by the Implementation of G.S.T. and Demonetization have been tackled successfully. The bold and far reaching economic reforms initiated by the Government have started yielding positive results for the economy. The Government has also eased the norms for E-way bill generation by simplifying procedure for the movement of goods under G.S.T. and has thus smoothen the Interstate movement of goods throughout the country. The economy is on the growth path and has grown 6.6% in the year 2017-18 and it is expected to grow 7.3% in the year 2018-19.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textile Industry is one of the largest in the World. The uniqueness of the industry lies in its strength both in the organized and unorganized sector. The Industry holds a dominant position in country's economic structure because of its huge contribution towards employment generation, Industrial Output and Export earnings. The importance of the industry is evident from the fact that it provides employment to 45 million people directly, contributes to 7% of Industry output in value term 4% to India's GDP, 14% to Index of Industrial Production(IIP) and contributes 15% to the country's total exports basket.(Source Annual Report 2017-18 of Ministry of Textiles). As per current estimation, size of Indian Textile Industry is around \$110 billion but the Government of India through its National Textile Policy and National Textile vision document has set the target for Indian Textile and apparel industry to \$350 billion by 2025(domestic \$200 billion and Export \$150 billion). With this ambitious target the industry can change the job scenario and manufacturing landscape.

The Government is fully conscious of its role in achieving this ambitious target and therefore has taken several Initiatives for the development of Industry so that India becomes a Global Textile Hub. It has also in its Budget Proposal of 2018-19, enhanced the outlay at Rs. 7,148 Crores for the textile sector so that industry continues to

invest in building spinning capacities, cutting edge technology, designing etc. to remain globally competitive and also moves up in the textile value chain.

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 Global economy has started recovering and provides a good opportunity to the Indian textile Industry to increase its share in the Global Textile and Clothing. The Industry should effectively utilize its fundamental strength of strong production base, availability of good quality raw cotton, skilled man power etc. and become a Textile hub for the International Buyers. The world is looking at the India as suitable and reliable choice for their requirements of Garments. This is a huge opportunity and it must be availed by the Textile Industry so that it can increase its share in the Global market which is at 5% presently.

The tariff war between two largest economies of the world– The USA and China is expected to have positive impact on India's textile exports. This provides a huge opportunity to Indian Textile Industry to increase its share in the global exports. Of late China, India's biggest competitor in Textile space, has been losing its export advantage because of appreciating currency coupled with higher labour and compliance cost. India riding on its cost advantage can increase its share in the Global market. Now, it is the responsibility of the stakeholder to pivot the scale, efficiency and sophistication of the textile system to grab this opportunity provided by the prevailing trade scenario.

Besides India's consumption growth story, driven by favourable demographic trends and rising disposable income, will further push the growth of the textile industry. The Indian economy is emerging as a growth engine of the world and seeing huge opportunity of the retail sector in domestic markets, several international players like Mark & Spencer, GAP, IZOD etc. have established their presence in the Indian markets which will also create huge opportunity for the Textile Industry in the Domestic Market. Further, the Growth of the Indian E-Commerce companies like Amazon, Flipkart, Jabong and Myntra etc. has also provided an opportunity to the Indian Textile Industry to Increase its business in domestic Market.

Though, the outlook for the textile Industry is positive but it is facing the problem of stagnation in exports. The reduction in the duty drawback rates, High rate of interest, Blockage of capital due to slow refunds and slow down in the lending for fresh projects by the Bank are cause of concern for the Textile Industry. This will blunt the cost competitive advantage against the global



competitors and may affect exports of the country.

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 can affect the performance of the Industry. The announcement of Minimum Support Price for cotton at Rs. 5150 to Rs. 5450 per quintal by the Ministry of Agriculture could lead to strengthening of the cotton prices and may impact the Textile Industry adversely.

The Textile Industry is also not free from normal business risks and threats. The Indian Textile 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 currency fluctuations are also impacting the financial performance of the Textile Industry. 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.

From the above it is evident that the opportunities are more than the challenges. The Government through its proposed new Industrial Policy should support the industry by working out suitable strategies/ policies so that Textile Industry is able to enhance its competitive advantage to achieve sustained growth in Exports as well as Domestic markets. The Industry on their part should also continuously modernize and upgrade its Technology to maintain its core competence and convert it into the competitive edge over others.

FUTURE OUTLOOK

We would like to inform you that Textile Industry went through a bad patch in the year 2017-18. The slackness in Global Demand, volatility in cotton prices, exchange rates fluctuation and implementation of Goods and Services Tax impacted the performance of the Industry.

However with the improvement in the economic scenario, India's GDP has started picking up and is expected to grow at 7.3% in the year 2018-19. Boosted by strong domestic consumption and Export growth revival, the fortunes of the Textile Industry will change for better in the coming periods. Moreover the growth drivers of the yesteryears, such as rapid urbanization, growing population, rising income and purchasing power of middle class will give a further push to the Industry. The continued policy reforms by the Government of India will further accelerate the growth of Textile Industry.

Your Management is quite optimistic that the textile Industry will be able to meet the challenges ahead. The future of the Textile Industry appears to be quite promising. Now, the Industry has to put in its efforts by increasing its Spinning, Weaving Knitting, Processing

and Garmenting capacity to achieve the ambitious target. We also expect that the Government will continue to support the Spinning industry in the form of favourable 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. The Industry should also be given Interest subvention as given to other Textile Sector. Of late the increase in the interest rate is causing a concern for the Textile Industry. Moreover slow down in the lending for fresh projects by the Bank are affecting expansion programme of the Industry. 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).

Mr. Sandeep Gupta, Chartered Accountant, who was working as internal auditor of the Company resigned w.e.f. 31st March, 2018 from Internal Auditorship of the Company. The Board accepted his resignation. Further, the Board pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, appointed S.C. Vasudeva & Co., Chartered Accountants Firm, as Internal Auditors of the Company for the financial year 2018-19. The Company is also having Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems lay 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 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.

FINANCIAL OPERATION AND PERFORMANCE

The Company is operating in single segment only i.e. Textile. The year gone by has been a very difficult period

for Textile Industry. The increase in the prices of raw cotton without the corresponding increase in the yarn prices affected the financial performance of the Company. The decline in demand for cotton yarn coupled with exchange rate fluctuations further aggravated the problems and the Company suffered a loss Rs. 31.20 crores during the year under review. The detailed performance has already been discussed in the Director's Report under the column 'Operational Review and State of Affairs'.

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. The total permanent employee's strength of the Company was 12856 as on 31st March, 2018. The industrial relation continued to remain cordial during the 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 BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 6th August, 2018

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

Save Tree Save Earth

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.

Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at: -secnsm@owmnaahar.com or gredressalnsm@owmnaahar.com.

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



INDEPENDENT AUDITORS' REPORT

The Members of
M/s Nahar Spinning Mills Limited,
LUDHIANA.

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS Financial Statements of Nahar Spinning Mills Ltd ("the Company"), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS

Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order. .
2. As required by Section 143 (3) of the Act, 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section



133 of the Act, read with relevant rules thereunder;

- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements;
 - 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;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For YAPL & Co..
Chartered Accountants
Firm Regn.No.017800N

Place: LUDHIANA.
Dated: 30.05.2018

CA Priyanka Shoree
PARTNER
M.NO. 538274

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS Financial Statements for the year ended 31 March 2018, we report that:

- l) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this

periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the one property the details of which are as under:

No. of Cases	Gross Block as on 31.03.2018	Net Block as on 31.03.2018	Remarks
1(One)	252.98 Lacs	235.39 Lacs	The agreement is in the name of the company only, registration of sale deed is pending.

- 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 covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to information and explanation given to us, The Company has not accepted any deposits from the public during the year covered under the provisions of section 73 or 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the sub section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that prima facie, the prescribed records have been maintained. We have, however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company



with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of Statute	Nature of Dues	Amount (Unpaid) (In Lacs)	Period to which it Relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax/ Penalty	316.53	A Y 2011-2012	CIT (A), Ludhiana
The Income Tax Act, 1944	Income Tax	46.78	A Y 2015-2016	CIT (A) Ludhiana
The Finance Act, 1962	Service Tax	11.49	2004-2005	High Court of Jabalpur
The Finance Act, Act, 1944	Service Tax	4.35	2012-2014	CESSTAT
The Finance Act, & Vat Act	Service Tax	78.61	2012-2014	Appellate Tribunal CESSTAT
The Finance Act, 1994	Service Tax	0.91	2012-2014	CESSTAT
The Finance Act, 1994	Service Tax	0.64	2012-2014	Commissioner Appeal
MP Commercial & Vat Act, 1961	Entry Tax	2.94	2012-2013	Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	17.47	2001-2002	High Court Of Jabalpur
The Central Excise Act, 1944	Excise Duty	4.70	1994-1995	High Court Of Jabalpur
The Customs Act, 1962	Drawback	0.93	2006-2007	High Court Of Jabalpur

- 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 during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no 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 give 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 Ind AS 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
Firm Regn.No.017800N

Place: LUDHIANA.
Dated: 30.05.2018

CA Priyanka Shoree
PARTNER
M.NO. 538274

ANNEXURE-B TO THE AUDITORS' REPORT **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Nahar Spinning Mills Ltd ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting A company's internal financial control over financial reporting is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS 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 Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For YAPL & Co..
Chartered Accountants
Firm Regn.No.017800N

Place: LUDHIANA.
Dated: 30.05.2018

CA Priyanka Shoree
PARTNER
M.NO. 538274

**BALANCE SHEET AS AT 31ST MARCH, 2018**

(Rs. In Lacs)

PARTICULARS	NOTE NO.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
a) Property, plant and equipment	1.1	69,937.83	76,070.80
b) Capital work-in-progress		590.58	329.80
c) Other intangible assets	1.2	50.99	1.93
d) Investment properties	1.3	864.40	910.00
e) Financial assets			
i) Investments	2.1	2,526.91	2,477.37
ii) Loans	2.2	2,393.51	2,395.81
iii) Other financial assets	2.3	-	-
f) Other non-current assets	3	2,507.71	3,486.24
		<u>78,871.93</u>	<u>85,671.23</u>
Current assets			
a) Inventories	4	73,488.04	48,902.86
b) Financial assets			
i) Investments	5.1	-	280.13
ii) Trade receivables	5.2	34,534.93	30,360.44
iii) Cash and Cash equivalents	5.3	178.21	2,611.93
iv) Bank balances other than (iii) above	5.4	85.53	82.11
v) Other financial assets	5.5	42.33	50.60
c) Government grant receivable	6	1,426.80	1,531.24
d) Current tax assets (net)	7	-	-
e) Other current assets	8	9,874.83	6,074.07
		<u>119,630.67</u>	<u>89,893.38</u>
Total Assets		<u>198,502.60</u>	<u>175,564.61</u>
EQUITY AND LIABILITIES			
a) Equity Share capital	9	1,805.31	1,805.31
b) Other equity	10	80,049.92	83,821.50
LIABILITIES		<u>81,855.23</u>	<u>85,626.81</u>
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	11.1	7,293.84	16,935.37
ii) Other financial liabilities	11.2	-	-
b) Deferred tax liabilities (net)	12	2,469.07	3,842.97
c) Other non-current liabilities	13	1.67	4.71
		<u>9,764.58</u>	<u>20,783.05</u>
Current liabilities			
a) Financial liabilities			
i) Borrowings	14.1	81,323.47	45,592.61
ii) Trade and other payables	14.2	6,678.54	4,817.37
iii) Other financial liabilities	14.3	11,040.27	11,374.24
b) Other current liabilities	15	7,382.66	6,937.13
c) Provisions	16	442.35	380.25
d) Current tax Liabilities (Net)	7	15.50	53.15
		<u>106,882.79</u>	<u>69,154.75</u>
Total Equity and liabilities		<u>198,502.60</u>	<u>175,564.61</u>

As per our report of even date annexed

For & On behalf of the Board

For YAPL & CO.

Chartered Accountants

Firm Reg.No.017800N

PRIYANKA SHOREE

Partner

(M.No.538274)

BRIJ SHARMA

Company Secretary

ANIL GARG

Chief Financial Officer

S.K.SHARMA

Director

DINESH OSWAL

Managing Director

Place: Ludhiana

Date : 30.05.2018

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

(Rs. In Lacs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
I Revenue from operations	17.1	213,066.10	212,926.74
II Other operating revenues	17.2	253.32	288.76
III Other Income	18	899.57	2,199.76
Total income(I+II+III)		214,218.99	215,415.26
IV Cost of materials consumed	19	134,628.07	128,768.09
Purchases of stock-in-trade	20	400.03	431.59
Change in inventories of finished goods, work -in-progress and stock in trade	21	2,610.58	(1,481.85)
Excise Duty Expense		0.26	3.84
Employee benefit expense	22	20,448.35	19,684.97
Finance cost	23	4,974.71	4,103.01
Depreciation and amortization expense	1	9,406.92	9,582.68
Other expenses	24	46,380.67	47,552.57
Total Expenses		218,849.59	208,644.90
V Profit/(loss) before exceptional items and tax		(4,630.60)	6,770.36
VI Exceptional items			
CSR expenses u/s 135 of Companies Act,2013		-	-
VII Profit/(loss) before tax		(4,630.60)	6,770.36
VIII Tax expense:	25		
(1) Current tax		-	2,510.00
(2) Deferred tax		(1,412.25)	(336.89)
IX Profit/(loss) for the period from continuing operations		(3,218.35)	4,597.25
Other comprehensive income		97.88	624.60
Items that will not be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments		26.44	643.17
Remeasurement of post-employment benefit obligations		109.79	(18.57)
Income tax relating to these items		38.35	-
Other comprehensive income for the year, net of tax		97.88	624.60
X Profit/(loss) for the period		(3,120.47)	5,221.85
Earnings per equity share for profit attributable to owners			
(Refer note 38)			
Basic earnings per share		(8.92)	12.69
Diluted earnings per share		(8.92)	12.69

As per our report of even date annexed
For **YAPL & CO.**
Chartered Accountants
Firm Reg.No.017800N

For & On behalf of the Board

PRIYANKA SHOREE
Partner
(M.No.538274)

BRIJ SHARMA
Company Secretary

ANIL GARG
Chief Financial Officer

S.K.SHARMA
Director

DINESH OSWAL
Managing Director

Place: Ludhiana
Date : 30.05.2018



CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL, 2017 TO 31ST MARCH, 2018

(Rs. in Lacs)

PARTICULARS	Current Year	Previous Year
Cash Flow from Operating Activities		
Net Profit Before Tax and Extra ordinary activities	(4,630.60)	6,770.36
Adjustments for :		
Depreciation	9,406.92	9,582.68
Finance Cost	4,974.71	4,103.01
Interest received	(232.64)	(292.61)
Dividend Income	(39.56)	(39.53)
Net Gain on Sale of Investments	(37.49)	(61.63)
Profit/ Loss on sale of Fixed Assets/ subsidies adjustments	(70.43)	(135.68)
Operating Profit before Working Capital Changes	14,001.49	13,156.24
Adjustment for:	9,370.89	19,926.60
Trade Receivables	(4,174.49)	5,925.16
Inventories	(24,585.18)	14,640.07
Increase(Decrease) in other financial assets	8.27	37.14
Increase(Decrease) in Long Term Loans & Advances	2.30	(265.12)
Increase(Decrease) in Govt grant receivables	104.44	940.41
Increase(Decrease) in other current assets	(3,800.77)	(729.93)
Increase(Decrease) in provisions	171.89	30.29
Increase (Decrease) in Other current liabilities	445.52	687.28
Increase (Decrease) in Other non current liabilities	(3.04)	4.71
Increase(Decrease) in other financial Liabilities	(52.39)	(13.37)
Increase(Decrease) in other financial Liabilities (long Term)	-	(50.00)
Trade Payables	1,861.17	1,299.64
Cash Generated from Operations	(30,022.28)	22,506.28
Interest paid	(3,299.84)	(1,725.04)
Direct Taxes Paid	(37.65)	(2,459.00)
Net cash flow from operating Activities	(3,337.49)	(4,184.04)
Cash Flow from investing activities	(23,988.88)	38,248.84
Purchase of Fixed Assets	(3,509.40)	(4,454.36)
Capital Work in Progress	(261.50)	(216.32)
Sale of Fixed Assets	302.42	272.20
Increase(Decrease) in Other non current assets	978.53	(1,766.15)
Sale of Investments	2,523.16	4,507.23
Interest Received	232.64	292.61
Dividend Income	39.58	39.53
Increase in Investment	(2,228.62)	(4,800.00)
Net cash used in investing activities	(1,923.19)	(6,125.26)
	(25,912.07)	32,123.58
Cash Flow from Financing Activities		
Share Capital		
Share Premium		
Unsecured Loans		
Proceeds from Long Term Borrowings	354.00	-
Repayment of Long Term Borrowings	(10,277.11)	(8,975.23)
Interest Paid	(1,674.87)	(2,377.97)
Dividend Paid	(540.98)	(540.98)
Corporate Dividend Tax Paid	(110.13)	(110.13)
Net Cash Used in Financing Activities	(12,249.09)	(12,004.31)
Net Increase in Cash & Cash Equivalents	(38,161.16)	2,019.27
Opening Cash and Cash Equivalents and other bank balances and working capital Limits	(42,898.57)	(63,017.84)
Closing Cash and Cash Equivalents and other bank balances and working capital Limits	(81,059.73)	(42,898.57)

For & On behalf of the Board

Place : Ludhiana
Date : 30.05.2018

BRIJ SHARMA
Company Secretary

ANIL GARG
Chief Financial Officer

S.K.SHARMA
Director

DINESH OSWAL
Managing Director

AUDITOR'S CERTIFICATE

We have checked the above Cash Flow Statement of NAHAR SPINNING MILLS LIMITED, derived from the audited financial statement for the year ended 31st March, 2018 with the books and records maintained in the ordinary course of business and found the same in accordance therewith.

Place : Ludhiana
Date : 30.05.2018

FOR YAPL & CO.
Chartered Accountants
Firm Reg.No.017800N

PRIYANKA SHOREE
PARTNER
(M.NO.538274)



(Rs. in Lacs)

NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

Description	GROSS BLOCK		ACCUMULATED DEPRECIATION			NET BLOCK 31st March 2018	NET BLOCK 31st March 2017
	31st March 2017	Additions Disposals/ Adjustments	31st March 2017	Additions Disposals/ Adjustments	31st March 2018		
1.1 Property, Plant and Equipment							
Freehold Land	15,271.25	41.84	-	-	-	15,313.09	15,271.25
Building	27,686.38	1.47	2,476.23	1,184.64	3,660.87	24,026.98	25,210.15
Plant & Machinery	50,656.35	3,180.81	220.85	7,873.76	8.76	29,298.12	34,203.16
Vehicles	676.34	94.81	56.65	122.44	36.76	362.07	409.59
Other Equipments	683.33	65.70	0.01	96.05	-	442.30	472.66
Furniture & Fixture	653.19	68.20	-	76.92	-	495.27	503.99
Total (A)	95,626.84	3,452.83	277.51	9,353.81	45.52	69,937.83	76,070.80
1.2 Intangible Assets :							
Software	1.99	56.57	-	7.51	-	50.99	1.93
Total (B)	1.99	56.57	-	7.51	-	50.99	1.93
Total (A+B)	95,628.83	3,509.40	277.51	9,361.32	45.52	69,988.82	76,072.73
1.3 Investment Properties :							
Buildings and related equipments	1,008.31	-	98.31	45.60	-	143.91	910.00
Total (A)	1,008.31	-	98.31	45.60	-	143.91	910.00
Fair value of investment properties			31st March, 2018	31st March, 2017			
Rental Income received/receivable from investment properties			2131.35	2347.60			
Direct Expenses (including repair and maintenance) for generating rental income			64.95	73.37			
			21.56	18.55			



Note No.	Particulars	As at 31st March, 2018		As at 31st March, 2017	
		No. of Units	Amount	No. of Units	Amount
Financial Assets					
2.1	Investments				
	Investment at fair value through profit or loss				
	Investment in Equity instruments				
	i) MOIL Ltd. (Equity Shares of Rs.10/- each fully paid up)	3,784.00	7.40	1,892.00	5.94
	ii) Punjab & Sind Bank (Equity Shares of Rs.10/- each fully paid up)	4,893.00	1.72	4,893.00	2.69
	Investment in Redeemable bonds				
	iii) HDFC High Interest Fund dynamic plan direct growth, on open ended scheme of Rs.10/- each fully paid up.	269,503.04	165.35	269,503.04	157.91
	iv) ICICI Prudential long term plan direct growth, on open ended scheme of Rs.10/- each fully paid up.	777,955.84	173.00	777,955.84	161.48
	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)	577,856.00	714.52	577,856.00	582.19
	ii) Nahar Poly Films Ltd. (Equity Shares of Rs.5/- each fully paid up)	1,253,603.00	653.76	1,247,063.00	760.08
	iii) 10 Equity Shares of Rs.50/- each fully paid up of Shree Panchvati Co-Operative Housing Society Ltd.(Previous year 10 Equity Shares)	10.00	0.005	10.00	0.005
	Investment in Government securities				
	i) 7.39 % Housing and Urban Development Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	7,007.00	77.76	7,007.00	77.78
	ii) 7.39 % Housing and Urban Development Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	15,058.00	167.63	15,058.00	167.16
	iii) 7.35 % Indian Railway Finance Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	5,878.00	65.10	5,878.00	65.24
	iv) 7.35 % National Bank for Agricultural and Rural Development. (Tax free Bonds of Rs.1000/- each fully paid up)	10,020.00	109.88	10,020.00	111.18
	v)7.35 % National Highways Authority of India. (Tax free Bonds of Rs.1000/- each fully paid up)	7,709.00	85.89	7,709.00	85.68
	Investment at amortised cost				
	Investment in Redeemable Preference Shares				
	i) L&T Finance Holdings Ltd. (Preference Shares of Rs.100/- each fully paid up)	300,000.00	304.89	300,000.00	300.03
	TOTAL		<u>2526.91</u>		<u>2477.37</u>
	(a) Aggregate amount of quoted investments and market value thereof;		2,526.91		2,477.36
	(b) Aggregate amount of unquoted investments; and		0.005		0.005
	(c) Aggregate amount of impairment in value of investments.		-		-



Note Particulars No.	As at 31st March 2018	As at 31st March 2017		
2.2 Loans				
Loans	-	-		
Security deposits				
- Secured, considered goods	-	-		
- Unsecured, considered good	2,393.51	2,395.81		
Total	<u>2,393.51</u>	<u>2,395.81</u>		
2.3 Other Financial assets				
Fixed deposit having original maturity more than 12months	-	-		
3 Other Non Current Assets				
Capital advances	2,506.62	3,484.05		
Prepaid rent	1.09	2.19		
Prepaid expenses	-	-		
Total	<u>2,507.71</u>	<u>3,486.24</u>		
CURRENT ASSETS				
4 Inventories(Ref note 26(h))				
Raw Materials	54,553.18	27,123.84		
Raw Materials (Goods in Transit)	18.73	48.29		
Work in Process	4,005.76	4,585.49		
Finished Goods	12,212.67	14,003.53		
Stock-in-Trade	120.54	192.46		
Stores & Spares	1,624.17	1,828.75		
Stores & Spares (Goods in Transit)	0.56	-		
Waste & Rejections	952.43	1,120.50		
Total	<u>73,488.04</u>	<u>48,902.86</u>		
Financial Assets				
5.1 Investments	As at 31st March 2018	As at 31st March 2017		
Investment at fair value through Profit & Loss				
Investments in Mutual Funds	No. of Units	Amount	No. of Units	Amount
i) ICICI prudential income plan regular growth an open ended scheme of Rs.10/- each fully paid up.	-	-	270,734.910	141.54
ii) SBI magnum income fund Direct plan growth an open ended scheme of Rs.10/- each fully paid up.	-	-	337,298.843	138.59
Total		<u>-</u>		<u>280.13</u>
5.2 Trade Receivables				
Unsecured Considered good unless otherwise stated		34,534.93		30,360.44
Doubtful		-		65.60
Less: Provision on doubtful debts		-		(65.60)
Total		<u>34,534.93</u>		<u>30,360.44</u>
5.3 Cash and Cash Equivalents				
Balance with banks		157.12		2,398.91
Cash in hand		21.09		35.02



Note No.	Particulars	As at 31st March 2018	As at 31st March 2017
	Cheque/drafts in hand	-	-
	Deposits with maturity less than three months	-	178.00
	Total	178.21	2,611.93
5.4	Other bank balances		
	Unpaid Dividend account	82.88	79.61
	Deposits with maturity more than three months but less than twelve months	-	-
	Debts due by directors	-	-
	Others	2.65	2.50
	Total	85.53	82.11
5.5	Other financial assets		
	Advances to employees	42.33	42.03
	Interest accrued on FD	-	8.57
	Total	42.33	50.60
6	Government grant receivables		
	Government grant receivable	1,426.80	1,531.24
	Total	1,426.80	1,531.24
7	Current tax assets (Net)/(Current Tax Liabilities (Net))		
	Advance income tax	5,250.00	5,250.00
	TDS recoverable	218.87	181.75
	TCS deposit	0.63	0.10
	Less: Provision for income tax	(5,485.00)	(5,485.00)
	Total	(15.50)	(53.15)
8	Other Current Assets		
	Prepaid expenses	315.55	344.60
	Prepaid rent	1.09	1.10
	Advance to suppliers (Recoverable in Cash or kind)	1,613.39	2,266.51
	Balances with Government authorities	7,536.18	2,592.80
	Others	408.62	869.06
	Total	9,874.83	6,074.07
	EQUITY AND LIABILITIES		
9	Equity Share Capital		
	A) Authorised		
	60,000,000 (Previous year 60,000,000) equity shares of Rs. 5 each	3,000.00	3,000.00
	B) Issued, subscribed and fully paid up		
	36,065,303 (Previous year 36,065,303) equity shares of Rs. 5 each fully paid up	1,803.27	1,803.27
	Add : Share forfeited	2.04	2.04
	Total	1,805.31	1,805.31
	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.		



Note Particulars No.	As at 31st March 2018	As at 31st March 2017
b) Reconciliation of number of shares		
Number of shares at the beginning of the Financial year	36,065,303	36,065,303
Add: Shares Issued During the year	-	-
Less: Share buy back during the year	-	-
Number of shares at the end of the Financial year	<u>36,065,303</u>	<u>36,065,303</u>
c) Detail of shareholders holding more than 5% shares		
	No. of shares	%age
		No. of Shares
		%age
1. Nahar Capital and Financial services Limited	10,257,384	28.44
2. Nahar Poly Films Limited	6,902,244	19.14
3. Nahar Industrial Enterprises Limited	2,356,930	6.54
d) Forfeited Shares (amount originally paid up)		
	Amount Paid Up	No. of Shares
		No. of Shares
	Rs.2.50 per Share	80,298
	Rs.5.00 per Share	710
10 Other Equity		
A) Security premium reserves		
Balance as per Last Balance Sheet	20,959.85	20,959.85
B) Capital reserve		
Balance as per Last Balance Sheet	1,363.86	1,363.86
C) General reserves		
Balance as per Last Balance Sheet	50,557.90	50,557.90
Less : Value of the Assets Adjusted	-	-
Add: Transfer From Surplus/Retained Earning	-	-
Total	<u>50,557.90</u>	<u>50,557.90</u>
D) CSR Reserve Account		
Balance as per Last Balance Sheet	172.30	-
Add: Transfer from Retained Earning	107.22	172.30
Balance at the end	<u>279.52</u>	<u>172.30</u>
E) Retained Earning/Surplus		
Balance as per Last Balance Sheet	10,767.59	6,391.19
Profit/(Loss) Transfer from Profit & Loss A/c	(3,218.35)	4,597.25
Other Comprehensive Income for the Year	97.88	624.60
Less: Adjustment of Income Tax earlier Years	-	22.04
Less: Dividend	540.98	540.98
Less: Tax on Dividend	110.13	110.13
Less: Transfer to General Reserve	-	-
Less: Transfer to CSR EXPENSES RESERVE	107.22	172.30
	-	-
	<u>6,888.79</u>	<u>10,767.59</u>
Total	<u>80,049.92</u>	<u>83,821.50</u>



Note Particulars No.	As at 31st March 2018	As at 31st March 2017
NON CURRENT LIABILITIES		
Financial Liabilities		
11.1 Borrowings		
Term loans from banks- Secured		
1. From State Bank of India	359.45	2,402.14
2. From Punjab National Bank	337.38	-
3. From Oriental Bank of Commerce	2,151.03	3,562.79
4. From IDBI Bank Limited	1,674.21	3,217.15
5. From Allahabad Bank	2,771.77	7,753.29
Total	7,293.84	16,935.37
Nature Of security	Terms of Repayment	
1. STATE BANK OF INDIA		
The Term Loan OF Rs. 8000 Lacs is secured by first charge on the entire fixed assets of the company on pari-passu basis with consortium member banks. The Term loan is personally guaranteed by three Directors of the company.	-Term Loan is repayable in quarterly installments by 31.03.2020 Rate of Interest 31.03.2018, 9.55% p.a , 31.03.2017, 9.70% p.a	
2. 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.	-Term Loan is repayable in quarterly installments by 30/09/2024 Rate of Interest 31.03.2018, 8.50% p.a and 31.03.2017, Nil	
3. ORIENTAL BANK OF COMMERCE		
Term Loan of Rs.13000 Lacs is secured by first charge on fixed assets of the company on pari-passu basis with other term lenders. The Loan is personally guaranteed by three Directors of the Company.	- Term Loan is repayable in quarterly installments by 01/01/2021. Rate of Interest 31.03.2018, 9.35% p.a 31.03.2017, 9.60% p.a	
4. IDBI BANK LIMITED		
Term Loan of Rs. 11000 Lacs is Secured by first Pari-Passu Charge (hypothecation) on all fixed movable assets and Negative Lien on Immovable fixed assets (Land & Building). The Term Loan is personally guaranteed by Three Directors of the Company.	- The Term Loan is repayable in quarterly installments by 01/07/2020. Rate of Interest 31.03.2018, 10.25% p.a 31.03.2017, 10.25% p.a	
5. ALLAHABAD BANK		
Term Loan of Rs. 19700 Lacs is Secured by first Pari-Passu Charge on the entire fixed 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 30/09/2019. Rate of Interest 31.03.2018, 10.50% p.a 31.03.2017, 10.50% p.a	
11.2 Other financial liability		
Retention money	-	-
Total	-	-
12 Deferred tax Liabilities (Net)		
Timing Difference on account of Depreciation, Change in rate of Tax etc.	3,211.00	3,808.36
" Difference on account of Allowances under section 43B, Loss & Others etc. "	(741.93)	34.61
Total	2,469.07	3,842.97
13 Other non current liabilities		
Deferred income	1.67	4.71
Total	1.67	4.71



Note No.	Particulars	As at 31st March 2018	As at 31st March 2017
	CURRENT LIABILITIES		
	Financial Liabilities		
14.1	Borrowings		
	Loans from banks- Secured	81,323.47	45,592.61
	Total	81,323.47	45,592.61
	Secured by (I) Hypothecation of entire present and future movable assets of the company such as Stock of Materials, Work in process, Finished Goods, Goods in transit, Stores and Spares, Book Debts etc. (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.		
14.2	Trade and other payables		
	Due to micro enterprises and small enterprises (refer Note 29)	-	-
	Trade payables	6,678.54	4,817.37
	Total	6,678.54	4,817.37
14.3	Other financial liabilities		
	Current maturities of long term debts	11,028.49	11,310.07
	Retention money	11.78	64.17
	Others	-	-
	Total	11,040.27	11,374.24
15	Other current liabilities		
	Advances from customers	567.98	500.90
	Unpaid dividends	82.88	79.61
	Dues to director	26.84	20.92
	Government dues	389.58	363.26
	Others	6,315.38	5,972.44
	Total	7,382.66	6,937.13
16	Provisions		
	Provision for Gratuity	442.35	380.25
	Total	442.35	380.25
17.1	Revenue from operations		
	Sale of products		
	Export	126,404.55	134,378.90
	Domestic	82,453.27	72,578.29
	Export incentives	3,637.54	5,464.39
	Sale of services	570.74	505.16
	Total	213,066.10	212,926.74
17.2	Other operating Revenues		
	Miscellaneous sales	215.48	209.50
	Miscellaneous receipts	23.19	69.07
	Claims received	14.65	10.19
	Total	253.32	288.76
18	Other Income		
	Interest income	232.64	292.61
	Dividend income	39.58	39.53
	Rental income	170.48	167.06



Note Particulars No.	As at 31st March 2018	As at 31st March 2017
Balances written back	104.54	141.69
Gain on sale of Property, Plant & Equipment	72.30	175.08
Net gain on sale/on fair valuation of investments	37.49	61.63
Net MTM gain on Derivative instrument/Forward Contracts FVTPL	-	274.53
Miscellaneous income	242.54	1,047.63
Total	899.57	2,199.76
19 Cost of materials consumed		
Opening stock	27,123.84	43,290.71
Add : Purchases (Net)	162,057.41	112,601.22
Less: Closing Stock	(54,553.18)	(27,123.84)
	134,628.07	128,768.09
20 Purchases of stock-in-trade		
Hosiery Garments/others	400.03	431.59
Total	400.03	431.59
21 Change in inventories of finished goods/ Work in progress/stock in trade		
Opening stock		
Work-in-Progress	4,585.49	4,752.88
Finished Goods / Stock in Trade	15,316.49	13,667.25
Less: Closing Stock	-	-
Work-in-Progress	(4,005.76)	(4,585.49)
Finished Goods / Stock in Trade	(13,285.64)	(15,316.49)
Total	2,610.58	(1,481.85)
22 Employee benefit expense		
Salary and wages	17,879.83	17,279.58
Contribution to PF, ESI and Gratuity Fund	2,182.17	1,961.88
Employees Welfare Expenses	386.35	443.51
Total	20,448.35	19,684.97
23 Finance cost		
Interest on term loan	1,674.87	2,377.97
Interest on cash credit	3,203.56	1,656.56
Interest to others	22.64	5.61
Other borrowing costs	73.64	62.87
Total	4,974.71	4,103.01
24 Other expenses		
Consumption of stores & spare parts	1,051.99	1,248.64
Power and Fuel	25,510.61	25,292.63
Dyes & Chemicals	2,089.12	2,254.37
Fabrication Charges	1.83	2.15
Rent	32.41	37.12
Repair to Buildings	199.29	429.77
Repair to Machinery	3,312.89	3,724.16
Insurance	304.12	278.61
Rates and taxes	139.30	127.53



Note Particulars No.	As at 31st March 2018	As at 31st March 2017
Payment to auditors (ref note 24.1)	14.89	27.81
Exchange Rate Difference (Net)	53.39	0.50
Brokerage/commission on sale	1,123.97	1,354.47
Cost of Raw Material Sold	2,347.68	3,026.08
Freight and forwarding	3,966.45	3,821.70
Packing Store Consumed	3,390.29	3,442.39
Vehicle Maintenance and Conveyance	390.88	423.71
Bank Charges	513.73	551.07
Loss on MTM on Forward Contracts	379.53	-
Others	1,558.30	1,509.86
Total	46,380.67	47,552.57
24.1 Payment to auditors		
Audit Fees	14.00	22.45
Tax Audit Fees	-	3.88
Certification Charges	0.01	0.79
Out of Pocket Expenses	0.88	0.69
Total	14.89	27.81
25 Tax expense		
(1) Current tax		
Provision for Taxation	-	2,510.00
(2) Deferred tax	(1,412.25)	(336.89)
Total	(1,412.25)	2,173.11
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:		
Accounting profit before tax & Exceptional Items	(4,630.60)	6,770.36
All India's statutory income tax rate of 34.944% (31st March 2017: 34.608%)	(1,618.12)	2,343.08
Tax allowances:		
Tax allowance under section 32(AC)	-	196.37
Reversal of deferred tax asset on temporary differences etc.	205.87	(26.40)
Income tax expense reported in the statement of profit and loss	(1,412.25)	2,173.11

**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, 2018 have been approved by the Board of Directors at their meetings held on 30th May, 2018.

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 of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs 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 Nahar Spinning Mills Limited's functional and presentation currency.

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

c) Revenue recognition

(i) Revenue from sales are recognised when significant risk and rewards of ownership of the goods has been transferred to the buyer and entity does not have the effective control over the goods sold.

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty (upto 30.06.2017) and net of returns, trade allowances, rebates, and GST/Value added taxes.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specific of each arrangement.



- (ii) **Export Incentives-** Export incentives are recognised on post export basis.
- (iii) **Interest income -** Interest income from debt instruments is recognised using the effective interest rate method.
- (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, wastage etc. Other than production) 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 and Loss over the expected lives of the related assets and presented within other income.

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 or directly in equity. 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 net profit 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.

Re-measurement 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) Bank guarantees outstanding Rs. Nil Lacs (31 March 2017: Rs. 8.94 Lacs)
- b) The Company has bound itself unto the President of India for Rs. Nil Lacs (31 March 2017: Rs.138.00 Lacs), under Central Excise Act, 1944 for clearance of goods without payment of excise duty, in respect of export of various types of yarn and for storage of various commodities manufactured within factory premises.
- c) Excise/Service Tax/Sales Tax/Income Tax/ Other Government Authorities have raised demands of Rs. 499.23 Lacs (31 March 2017: Rs.367.47 Lacs) out of which a sum of Rs. 13.90 Lacs (31 March 2017: Rs. 7.47 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.
- d) 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 Vidhimanyatakaran) Adhinyam 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. 205.53 Lacs (31 March 2017: Rs.193.91 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.
- e) The Company has given Corporate Guarantees for Rs. 4,000 Lacs (31 March 2017: Rs. 4,000 Lacs) to the term lenders in respect of financial assistance granted to M/s Nahar Poly Films Limited, Ludhiana.
- f) 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 2017: 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-

(Rs. in lacs)

	As at 31st March 2018	As at 31st March 2017
On Capital Accounts	8,369.67	7,34.15
On Others	121.43	1.35

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 intimation received from the parties.



	31st March 2018	31st March 2017
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. 0.17 Lacs (31st March 2017 : Rs. Nil Lacs) has been capitalized during the year.
- V. Material events occurring after the balance sheet date are taken into cognizance.
- VI. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever necessary to make them comparable.
- VII. In accordance with the section 135 of the Companies Act 2013, the company is covered by the provision of the said section -

	(Rs. In Lacs)	
	As at 31st March 2018	As at 31st March 2017
Particulars		
The amount required to be spent	107.22	172.30
The amount spent	-	-

The Company for its CSR obligation joined hands with other group companies and agreed to do CSR obligation through a SPV, a recognized charitable organization, M/s. Oswal Foundation. The said organization had done various activities under CSR. Last year the project of Eye care which was under consideration could not be taken up and discarded. Now the said society is considering a new health care project. The company would contribute its CSR obligation as and when it is finalized. In the meantime amount of CSR obligation Rs. 107.22 lacs has been set apart towards CSR activity reserve.

- VIII. 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. 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.



IX. 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 addressal of our claim of the advance paid of Rs. 382 Lacs alongwith compensation and interest. Thus amount has been shown as advances recoverable in Cash or Kind.

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.

XI. Ministry of Corporate Affairs vide letter dated 26.12.2017 has approved M.D.Remuneration of Rs. 799.73 Lacs for the period 01/01/2017 to 31/12/2017 jointly from M/s Nahar Spinning Mills Ltd. and M/s Nahar Capital & Financial Services Ltd. During the period 01/01/2017 to 31/03/2017 M.D.remuneration amounting to Rs. 33.60 Lacs only was paid by the company, accordingly balance payment of Rs. 106.33 Lacs has been paid during the year.

31. Government Grants

	(Rs. in Lacs)	
	31st March	31st March
	2018	2017
At the beginning of the year	1,531.24	2,471.65
Provided during the year	694.88	1,999.02
Received during the year	799.32	2,939.43
At the end of the year	1,426.80	1,531.24
Current	1,426.80	1,531.24
Non-current	-	-
	1,426.80	1,531.24

Government grants have been received 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 end 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 calculations 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

	(Rs. in Lacs)	
	31st March 2018	31st March 2017
Variable rate borrowings	81,697.54	57,909.75
Fixed rate borrowings	17,948.26	15,928.30

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	
	31st March 2018	31st March 2017
Increase by 50 basis points	(408.49)	(289.55)
Decrease by 50 basis points	408.49	289.55

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 consequently 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, 2018		(Foreign currency in Lacs)			
Particulars	USD	EURO	Others		
Trade Receivables	81.42	-	-		
EEFC Balance	0.11	-	-		
Trade Payables	0.00	16.54	0.08		
As at 31st March 2017		USD	EURO	Others	
Trade Receivables		93.71	-	-	
EEFC Balance		19.69	-	-	
Loan		2.10	-	-	
Trade Payables		0.02	0.05	0.01	

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 2018		31st March 2017		(Rs. in Lacs)
	5% Increase	5% Decrease	5% Increase	5% Decrease	
USD	265.85	(265.85)	361.37	(361.37)	
EURO	(66.81)	66.81	(0.16)	0.16	
Others	(0.29)	0.29	(0.05)	0.05	
Increase/(decrease) in Profit or Loss	198.75	(198.75)	361.16	(36.1.16)	

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.

	(in Lacs)	
	As at 31st March 2018	As at 31st March 2017
Category wise quantitative data	2018	2017
Type of contract	USD	USD
Forward contracts against exports	283.05	70.07
Forward contracts against imports	-	20.00

iii) Price risk

The Company's exposure 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:

Assets 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 5.2. Trade receivables are unsecured but considered goods subject to provision made thereon.

Trade Receivables	31st March 2018	31st March 2017
Not Due	33,787.98	29,834.28
Up to Six Months Past Due	712.09	525.64
6 Months to 1 Year Past Due	34.40	0.31
More Than 1 Year Past Due	0.46	65.81
	<u>34,534.93</u>	<u>30,426.04</u>



Provision for Doubtful Debts

More Than 1 Year	-	65.60
Total	34,534.93	30,360.44
Reconciliation of Provision for Doubtful Debts	31st March	31st March
	2018	2017
Balance at the Beginning of the Year	65.60	65.60
Add: Provision made during the year	-	-
Less: Provision Written Back during the Year	65.60	-
Balance at the end of the Year	-	65.60

(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 -

	31st March	31st March
	2018	2017
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured		
-Working Capital Limits	36,624.79	70,335.69
(b) Expiring beyond one year (Bank loans)		
Secured		
-Term loan from banks	1,821.00	-
ii) Maturity Patterns of borrowings		

	Less than 1 Year	1 to 2 Years	2 to 5 Years	More than 5 Years
Year ended 31st March, 2018				
Contractual Maturities of borrowings	93,490.90	7,653.74	455.17	-
Contractual Maturities of trade payables	6,678.54	-	-	-
Contractual Maturities of other financial liabilities	11.78	-	-	-
Total	100,181.22	7,653.74	455.17	-
Year ended 31st March, 2017				
Contractual Maturities of borrowings	59,252.32	11,197.93	7,387.63	-
Contractual Maturities of trade payables	4,817.37	-	-	-
Contractual Maturities of other financial liabilities	64.17	-	-	-
Total	64,133.86	11,197.93	7,387.63	-

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 2018	31st March 2017
Borrowings	99,645.80	73,838.05
Trade payables	6,678.54	4,817.37
Less: Cash and cash equivalents	178.21	2,611.93
Net debt	106,146.13	76,043.49
Equity	81,855.23	85,626.81
Capital and net debt	188,001.36	161,670.30
Gearing ratio	56.46	47.04

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 31st March 2018 and 31st March 2017.

35. Distribution made and proposed

	31 March 2018	31 March 2017
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2017: ₹ 1.50 per share (31st March 2016: ₹ 1.50 per Share)	540.98	540.98
DDT on final dividend	110.13	110.13
	<u>651.11</u>	<u>651.11</u>
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2018: ₹ 0.50 per share (31 March 2017: ₹ 1.50 per share)	180.33	540.98
DDT on proposed dividend	37.07	110.13
	<u>217.40</u>	<u>651.11</u>


Note 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)	
	31-Mar-18	31-Mar-17
Changes in defined benefit obligation		
Gratuity Plan	3,431.06	3,027.82

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	(Rs. in Lacs)	
	31-Mar-18	31-Mar-17
Changes in defined benefit obligation		
Present value obligation as at the start of the year	3,027.82	2,715.72
Interest cost	198.89	199.36
Service cost	520.01	369.30
Benefits paid	(205.92)	(253.22)
Actuarial loss/(gain) on obligations	(109.74)	(3.34)
Present value obligation as at the end of the year	3,431.06	3,027.82

	(Rs. in Lacs)	
	31-Mar-18	31-Mar-17
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,647.57	2,384.33
Return on plan assets	185.33	187.36
Return on plan assets (greater)/less than discount rate	0.05	(21.91)
Contribution	361.68	351.01
Benefits paid	(205.92)	(253.22)
Fair value of plan assets as at the end of the year	2,988.71	2,647.57

	(Rs. in Lacs)	
Breakup of Actuarial gain/loss:	31-Mar-18	31-Mar-17
Description		
Actuarial (gain)/loss on arising from change in financial assumption	128.24	148.61
Actuarial (gain)/loss on arising from experience adjustment	18.50	(151.95)
Return on plan assets (greater)/less than discount rate	(0.05)	(21.91)

	(Rs. in Lacs)	
	31-Mar-18	31-Mar-17
Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
Present value obligation as at the end of the year	3,431.06	3,027.82
Fair value of plan assets as at the end of the year	2,988.71	2,647.57
Net asset/(obligation) recognized in balance sheet	(442.35)	(380.25)

	(Rs. in Lacs)	
	31-Mar-18	31-Mar-17
Amount recognized in the statement of profit and loss		
Service cost	520.01	369.30
Interest cost	13.56	12.00
(Income)/Expense recognised in the statement of profit and loss	533.57	381.30

	(Rs. in Lacs)	
	31-Mar-18	31-Mar-17
Amount recognised in the statement of Other Comprehensive Income		
Description		
Actuarial Gain/(Loss) for the year on DBO	(109.74)	(3.34)
Return on plan assets (greater)/less than discount rate	(0.05)	21.91
Recognised actuarial Gain/(Loss) at the end of the year	(109.79)	18.57

	(Rs. in Lacs)	
	31-Mar-18	31-Mar-17
Actuarial assumptions		
Discount rate	7.50%	6.80%
Future salary increase	7.00%	7.00%

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

(Rs. in Lacs)

	31-Mar-18	31-Mar-17
Discount rate	7.50%	6.80%
	3,431.06	3,027.82
a) Impact due to increase of 0.50%	(107.28)	(84.48)
b) Impact due to decrease of 0.50%	114.18	89.66
Salary escalation rate at the end of the year	7.00%	7.00%
Present value of obligation at the end of the year	3,431.06	3,027.82
a) Impact due to increase of 0.50%	112.60	86.65
b) Impact due to decrease of 0.50%	(107.27)	(82.85)

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-18	31-Mar-17
March 31, 2018		582.99
March 31, 2019	448.40	342.16
March 31, 2020	418.02	378.10
March 31, 2021	453.37	430.60
March 31, 2022	506.35	471.80
March 31, 2023	556.83	-
March 31, 2018 (March 31, 2024 to March 31, 2028) and March 31, 2017 (March 31, 2023 to March 31, 2027)	3,689.80	2,784.52
Total expected payments	6,072.77	4,990.17

Withdrawal Rate	31-Mar-18	31-Mar-17
Attrition rate at the year and	10.00%	10.00%
Effect on DBO due to 5 % increase in Withdrawal Rate	(11.09)	(50.63)
Effect on DBO due to 5 % decrease in Withdrawal Rate	9.85	59.01

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years. (31st March 2017:6years)

Post Employment Benefit of KMP's

(Rs. in Lacs)

Name of KMP	Date of Joining	DBO as at 31.03.2018	DBO as at 31.03.2017
Sh. Dinesh Oswal	01.01.1987	13.05	7.36
Sh. Anil Kumar Garg	02.01.1993	11.45	9.64
Sh. Brij Sharma	11.09.1989	12.98	10

Note 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	28,245.44	45,592.61
Add:/Less Changes during the period		
(a) Changes from financing cash flows	(9,923.11)	35,730.86
(b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
(d) changes in fair values	-	-
(e) other Changes	-	-
Balance at the end of the period	18,322.33	81,323.47



B. Deposits from body corporates		
Balance at the beginning of the period	Nil	Nil
Add:/Less Changes during the period	-	-
(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 periods	Nil	Nil

Note 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-18	31-Mar-17
Profit/(Loss) after Taxation	(3,218.35)	4,597.25
Less: Adjustment of Income Tax earlier Years	-	22.04
Profit After adjustment of earlier year Income Tax	(3,218.35)	4,575.21
Weighted Average Number of Shares Issued	360.65	360.65
Earning Per Share in Rs. (Basic & Diluted)	(8.92)	12.69
(There are no potential equity shares)		
(Face Value of Rs. 5/- Share		



**Note 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 Woolen Mills Limited., Vanaik Spinning Mills Ltd., Abhilash Growth Fund(P) Ltd., Atam Vallabh Finances Ltd., Bermuda Insurance Brokers Pvt. Ltd., Kovalam Investment & Trading Co.Ltd., Monica Growth Fund(P) Ltd., Nagdevi Trading & Investment Co.Ltd., Nahar Growth Fund(P) Ltd., Ruchika Growth Fund(P) Ltd., Sankeswar Holding Co.Ltd., Vanaik Investors Ltd., Vardhman Investment Ltd., J.L. Growth Fund Ltd., Neha Credit and Investment Pvt.Ltd., Ginar Investment Ltd., Crown Star Ltd., Monte Carlo Fashions Ltd., Cotton County Retail Ltd., Nahar Industrial Infrastructure Corp.Ltd., Sidhant & Mannat Co.Ltd., Simran & Shanaya Co.Ltd., Palam Motels Ltd., Hug Foods Pvt.Ltd., Oswal Leasing Ltd., Nahar Financial and Investment Ltd., White Tiger Breweries and Distilleries Ltd., Vigil Investment P.Ltd., Shri Atam Fabrics Ltd., Cabot Trading and Investment Co.P.Ltd., Retailkart E.Venture Pvt.Ltd., Marble Retail P.Ltd., Suvrat Trading Co.Ltd., Amloih Industries Ltd., Oswal Foundation.

Relatives of KMP Sh. Dinesh Oswal (Managing Director)

- Sh. Jawahar Lal Oswal, Sh. Kamal Oswal, Mrs. Abhilash Oswal, Mrs. Ruchika Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mrs. Monika Oswal, Mr. Sambhav Oswal and Mr. Rishabh Oswal.

*Other related parties includes the Companies in which the Key Management Personnel or their relatives have significant influence, also includes enterprises with whom no transaction has taken place during the period.

(Rs. In Lacs)

Particulars	Other Related Parties/ Group Companies		Key management Personnel & their relative		Total
	31st March 2018	31st March 2017	31st March 2018	31st March 2017	
Purchase of Goods/Services	1,592.05	1,347.38	-	-	1,592.05
Sale of Goods/shares/Services	7,340.04	5,439.20	-	-	7,340.04
Purchase of Fixed Assets	-	1.89	-	-	-
Sale of Fixed Assets	-	15.63	-	-	-
Rent Paid	26.08	26.49	4.16	3.84	30.24
Rent Received	94.54	92.48	9.38	8.89	103.92
Reimbursement of expenses paid	476.71	68.27	-	-	476.71
Reimbursement of expenses received *	66.54	259.42	-	-	66.54
Sale of Export Licence	150.84	121.60	-	-	150.84
Purchase of Export Licence	-	0.01	-	-	-
Inter-corporate Loans Received Back	-	-	-	-	-
Inter-corporate Loans Given	-	-	-	-	-
Director Sitting Fee	-	-	0.80	0.80	0.80
Managerial Remuneration/Perquisites	-	-	690.04	465.60	690.04
Salary	-	-	32.10	13.20	32.10
Balance Receivable	2,111.92	1,362.96	-	-	2,111.92
Balance Payable	3.05	25.33	19.78	24.37	22.83

* All transactions are inclusive of taxes wherever applicable

Note 40. Fair value measurement
(a) Financial instruments by category

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

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI cost	Amortised	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	347.47	2,179.43	-	608.15	2,149.35	-
Trade receivable	-	-	34,534.93	-	-	30,360.44
Security deposit	-	-	2,393.51	-	-	2,395.81
Other financial assets	-	-	42.33	-	-	50.60
Cash and equivalent	-	-	178.21	-	-	2,611.93
Other bank balances	-	-	85.53	-	-	82.11
Total	347.47	2,179.43	37,234.51	608.15	2,149.35	35,500.89
Financial liabilities						
Borrowings	-	-	88,617.31	-	-	62,527.98
Trade payable	-	-	6,678.54	-	-	4,817.37
Other financial liabilities	-	-	11,040.27	-	-	11,374.24
Total	-	-	1,06,336.12	-	-	78,719.59
(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 2018			31 March 2017		
Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments	2,526.91	0.005	-	2,757.50	0.005	-
Total financial assets	2,526.91	0.005	-	2,757.50	0.005	-

Financial assets and liabilities measured at amortised cost for which fair values are disclosed Particulars	31 March 2018			31 March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Trade receivables	-	-	34,534.93	-	-	30,360.44
Security deposit	-	-	2,393.51	-	-	2,395.81
Other financial assets	-	-	42.33	-	-	50.60
Cash and equivalents	-	-	178.21	-	-	2,611.93
Other bank balances	-	-	85.53	-	-	82.11
Total financial assets	-	-	37,234.51	-	-	35,500.89
Financial liabilities						
Borrowings	-	-	88,617.31	-	-	62,527.98
Trade payable	-	-	6,678.54	-	-	4,817.37
Other financial liabilities	-	-	11,040.27	-	-	11,374.24
Total	-	-	106,336.12	-	-	78,719.59

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: 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, 2018		31 March, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposit	2,393.51	2,393.51	2,395.81	2,395.81
Total financial assets	2,393.51	2,393.51	2,395.81	2,395.81
Financial liabilities				
Borrowings	88,617.31	88,617.31	62,527.98	62,527.98
Retention Money	11.78	11.78	64.17	64.17
Total financial liabilities	88,629.09	88,629.09	62,592.15	62,592.15

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.

NAHAR SPINNING MILLS LTD

Registered office: 373, Industrial Area – A, Ludhiana – 141003
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnahar.com; Website: www.owmnahar.com

BALLOT FORM

Sr. No. _____

Name and Registered Address of the Sole/ First named Member :

Names of the Joint Member(s), if any :

Registered Folio No. / DP ID No. / Client ID No. :

No. of equity shares held :

I/We hereby exercise my/our vote(s) in respect of the following Resolutions as set out in the Notice dated August 06, 2018 of the Company by conveying my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark (✓) at the appropriate box below:

Resolution No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	ADOPTION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018			
2	DECLARATION OF DIVIDEND ON EQUITY SHARE CAPITAL FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018			
3	APPOINTMENT OF MR. JAWAHAR LAL OSWAL AS A DIRECTOR LIABLE TO RETIRE BY ROTATION			
4	APPOINTMENT OF MR. SATISH KUMAR SHARMA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION			
5	RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY			
6	APPROVAL FOR PAYMENT OF REMUNERATION OF MR. DINESH OSWAL, MANAGING DIRECTOR, AS APPROVED BY THE CENTRAL GOVERNMENT			
7	DETERMINATION OF FEES FOR DELIVERY OF ANY DOCUMENT THROUGH A PARTICULAR MODE OF DELIVERY			
8	APPROVAL FOR CONTINUATION OF HOLDING OF OFFICE AS NON-EXECUTIVE DIRECTOR BY MR. JAWAHAR LAL OSWAL (DIN: 00463866), UPON ATTAINING THE AGE OF 75 YEARS			
9	APPROVAL FOR CONTINUATION OF HOLDING OF OFFICE AS AN INDEPENDENT DIRECTOR BY PROF. KANWAR SAIN MAINI (DIN: 00454686), WHO HAS ATTAINED THE AGE OF 75 YEARS			

Place:

Date:

Signature of the Member

or

Authorised Representative

Notes :

- (i) For the Resolutions, Explanatory Statements and notes please refer to the Notice of 38th Annual General Meeting.
- (ii) If you have casted your vote by e-voting, there is no need to fill up and sign this form.
- (iii) Please read the instructions printed overleaf carefully before exercising your vote.

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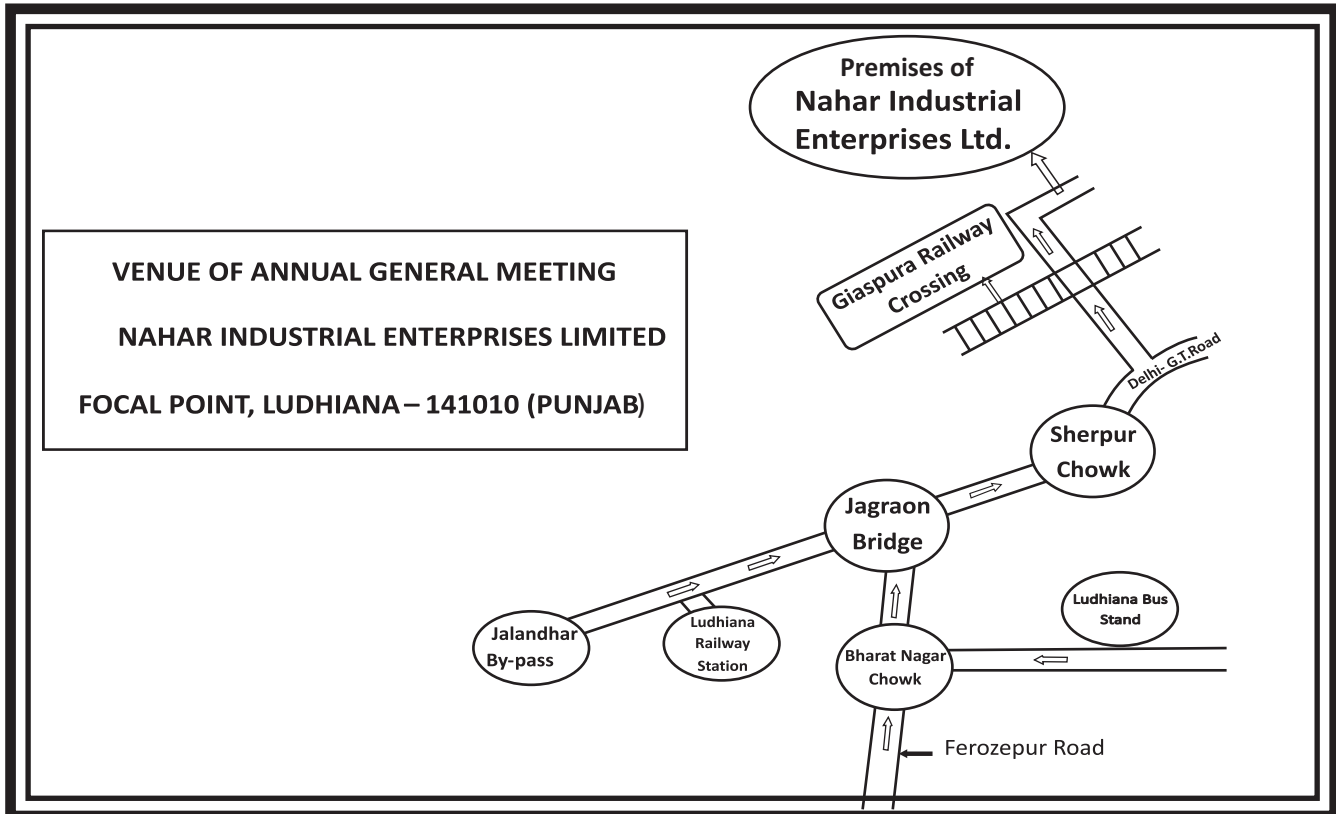
INSTRUCTIONS

1. General Instructions:

- There will be one Ballot Form/e-voting for every Client ID No./Folio No., irrespective of the number of joint holders.
- Members have option to vote either through remote e-voting or through Ballot Form at the AGM. If a member has casted vote via remote e-voting, then vote cast by him/her via ballot form at the AGM shall be considered as invalid.
- Voting in the e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below under instruction no. 2(b).
- Any query in relation to the Resolutions proposed to be passed at the ensuing AGM may be addressed to Company Secretary, at the Registered Office of the Company.
- The Scrutinizer's decision on the validity of a Ballot/E-voting shall be final and binding.

2. Instructions for voting physically by Ballot Form:

- This Form must be completed and signed by the Member who is desirous of exercising his/her vote at the 38th Annual General Meeting, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on cut off date i.e. 21st September, 2018.
- The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (v) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- Incomplete, unsigned or incorrectly ticked Ballot Forms will be rejected.
- The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favor or against, if any, forthwith to the Chairman of the Company.
- The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.ownnabar.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.



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Performance At A Glance

Rupees in Lacs

SR. NO.	PARTICULARS	2013-14	2014-15	2015-16	2016-17	2017-18
1	OPERATING INCOME	220420	214962	202918	213215	213319
2	EXPORTS	142799	139320	127041	134379	126404
3	OTHER INCOME	696	1130	1803	2199	899
4	GROSS PROFIT(Before Interest & Dep)	35713	22488	23907	20456	9752
5	PROFIT AFTER TAX	14530	2021	5087	4597	-3218
6	CASH ACCRUALS (Before Tax & Dep.)	29266	14540	18140	16353	4777
7	GROSS BLOCK	191869	203696	92349	96637	99869
8	NET BLOCK	89975	86716	82248	76983	70853
9	SHARE CAPITAL (PAID UP)	1805	1805	1805	1805	1805
10	NET WORTH	76349	76032	81078	85627	81855
11	DEFERRED TAX RESERVE	6185	4317	4180	3843	2469
12	DEBT EQUITY RATIO	0.60	0.60	0.46	0.33	0.22
13	CURRENT RATIO	1.30	1.44	1.29	1.30	1.12
14	BOOK VALUE PER SHARE	211.70	210.82	224.81	237.42	226.97
15	EARNING PER SHARE (BASIC)	40.29	5.60	13.69	12.69	-8.92
16	FACE VALUE (PAID UP)	Rs. 5	Rs. 5	Rs. 5	Rs. 5	Rs. 5
17	DIVIDEND	20%	20%	30%	30%	10%

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