



The Nahar Group

35TH

ANNUAL REPORT 2018-19



NAHAR INDUSTRIAL ENTERPRISES LIMITED



BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Sh. Bharat Bhushan Gupta

COMPANY SECRETARY

Sh. Mukesh Sood

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

CORPORATE IDENTIFICATION NUMBER (CIN): L15143PB1983PLC018321

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Performance at a glance

	(₹.in lacs)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Gross sales/operating income	180,740.09	177,694.62	173,166.89	176,274.88	1,86,616.24
Exports	19,403.45	21,694.07	16,040.55	16,578.04	30,486.95
Net Profit/(Loss)	(2,800.68)	4,234.04	7,013.48	1,722.14	(2,157.52)
Cash Accruals	10,000.36	14,497.31	15,529.35	8,357.71	6,105.96
Gross Block including CWIP	188,827.33	189,373.23	198,241.39	202,058.19	2,04,470.72
Net Block including CWIP	65,460.35	57,306.82	60,101.15	60,447.45	60,688.05
Equity Share Capital	4,003.42	4,003.42	4,003.42	4,003.42	4,003.42
Net Worth	57,945.48	60,509.18	68,920.83	69,642.71	69,390.03
Capital Employed	116,497.44	106,405.76	110,609.76	109,376.80	1,03,499.31
Debt Equity Ratio	0.73	0.57	0.48	0.44	0.33
Current Ratio	1.32	1.37	1.41	1.31	1.28
Book Value per share (₹)	145.46	151.90	173.01	174.83	174.19
Earning per share (₹) [Basic]	(7.03)	10.63	17.61	4.32	(5.42)

The Journey

1983	Incorporated on 27th September, 1983.
1994	Name changed as Nahar Industrial Enterprises Ltd.
1997	Merged Nahar Fabrics Ltd. (Manufacturer of greige fabrics).
2002	Merged Oswal Cotton Mills Ltd. (Manufacturer of processed fabrics and finished garments).
2005	Merged Nahar International Ltd. (Manufacturer of yarn) and Nahar Sugar & Allied Industries Ltd (Manufacturer of sugar).

For attention of shareholders

- SEBI has directed to update PAN and Bank Account details of the Shareholders, who are holding shares in physical form, for payment of dividend through electronic channel.
- SEBI has mandated that w.e.f. March 31, 2019 only dematerialized securities will be allowed to be transferred except for transmission or transposition of securities.
- To support the Green Initiative of Ministry of Corporate Affairs in the Corporate Governance, Share holders are requested to register their latest Email address with the Depository Participant (DP) / Company Registrar and Transfer Agent (RTA).

**NOTICE**

Notice is hereby given that the **35th Annual General Meeting** of the members of Nahar Industrial Enterprises Limited will be held on **Monday, the 30th day of September, 2019 at 10.00 A.M.** at the Registered Office of the company situated at Focal Point, Ludhiana (Punjab) - 141010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Financial Statements of the Company for the financial year ended on 31st March, 2019 and the Reports of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2019 and the Reports of Auditors thereon.
2. To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To approve the remuneration of cost auditor for the financial year 2019-20** and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. R.R. & Co., Cost Accountants, Ludhiana (Firm Registration No. 000323) who has been appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost accounting records of the Company for Textile and Sugar segments for the financial year ending 31st March, 2020, the company do hereby confirm and ratify the remuneration of ₹ 270000/- (Rupees Two Lacs Seventy Thousands only) plus actual out-of-pocket expenses, as approved by the Audit Committee."

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

5. **To approve alteration and increase of the existing Authorized Share Capital of the company** and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to increase the existing Authorized Share Capital of the Company from ₹ 1,50,00,00,000/- (Rupees One Hundred fifty Crores only) divided into 5,00,00,000 (five crore only) Equity Shares of ₹ 10/- (Rupees Ten) each and 1,00,00,000 (one crore only) 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees one hundred) each to ₹ 1,75,00,00,000/- (Rupees One Hundred Seventy Five Crores only) divided into 5,00,00,000 (five crore only) Equity Shares of ₹ 10/- (Rupees Ten) each and 1,25,00,000 (one crore twenty five lakh only) 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees one hundred) each."

"RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause :

- V. "The Authorized Share Capital of the Company is ₹ 1,75,00,00,000/- (Rupees One Hundred Seventy Five Crores only) divided into 5,00,00,000 (five crore only) Equity Shares of ₹ 10/- (Rupees Ten) each and 1,25,00,000 (one crore twenty five lakhs only) 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees one hundred) each. The Company has power from time to time to increase or to reduce or re-classify its capital and divide the shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions and to vary, modify or abrogate any such rights, privileges or conditions and to purchase / buyback any of its shares for cancellation or otherwise in such manner as may be permitted by the Companies Act, 2013 and Rules as applicable thereon, for the time being in force and regulations of the Company."

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



6. **To change Articles No. 4 of the Articles of Association** and to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 14, 61 and 64 of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force and as may be amended from time to time) Article No. 4 of the Articles of Association of the Company be deleted and substituted by the following new Article :-

4. "The Authorized Share Capital of the Company is ₹ 1,75,00,00,000/- (Rupees One Hundred Seventy Five Crores only) divided into 5,00,00,000 (five crore only) Equity Shares of ₹ 10/- (Rupees Ten) each and 1,25,00,000 (one crore twenty five lakhs only) 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees one hundred) each. The Company has power from time to time to increase or to reduce or re-classify its capital and divide the shares in the new capital into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 and Rules as applicable thereon, for the time being in force and regulations of the Company."

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

7. **To issue and offer Non-Convertible Non-Cumulative Redeemable Preference Shares on a Preferential basis** and to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 55 and 62 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as may be amended from time to time, and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board") the consent of the Company be and is hereby accorded to the Board

to offer/ invite, to subscribe, issue and allot up to 25,00,000 - 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of the Company of the face value of Rs. 100/- each (hereinafter called 'NCNCRPS'), on preferential basis aggregating to Rs. 25.00 crores, in one or more tranches, for cash at par to Promoters group entities and their associates on such terms and conditions as may be decided by the Board and subject to the followings:

- a) NCNCRPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital;
- b) NCNCRPS shall be non-participating in the surplus funds;
- c) NCNCRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding-up of the Company;
- d) Holder(s) of NCNCRPS shall be paid dividend on a non-cumulative basis;
- e) NCNCRPS shall not be convertible into equity shares;
- f) NCNCRPS shall carry voting rights as per the provisions of Section 47(2) of the Act;
- g) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from the date of their issue or an earlier date only at the discretion of the company.
- h) NCNCRPS shall not be listed with any stock exchange.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to this effect and intent that the Members shall be deemed to have given their approval hereto expressed by the authority of this resolution."

8. **To vary the terms of redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares** and to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 42, 48, 55, Articles of Association of the company and such other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification or re-enactment thereof for the time being in force and as may be amended from time to time) the consent of the shareholders be and is hereby accorded to the Board to alter/ vary the terms and conditions of redemption of 1,00,00,000 - 5.5% Non-Convertible



Non-Cumulative Redeemable Preference Shares of the Company of the face value of Rs. 100/- each (hereinafter called 'NCNCRPS') allotted / to be allotted to Cotton County Retail Ltd. and Nahar Capital & Financial Services Ltd., promoter group entities, and their associates and accordingly the period of redemption is hereby altered from 'within 5 years from the date of allotment' to " within a period not exceeding 20 years from the date of their issue or an earlier date only at the discretion of the company " and all the other terms and conditions shall remains the same and clause (g) of terms and conditions be substituted and read as -

- g) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from the date of their issue or an earlier date only at the discretion of the company.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary / alter the terms and conditions of NCNCRPS at any time during the tenure of NCNCRPS in such manner as may be approved by the board and are acceptable to the holders of NCNCRPS and the Board of Directors of the Company is hereby authorized to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to this effect and intent that the Members shall be deemed to have given their approval hereto expressed by the authority of this resolution."

9. **To substitute and insert Article No. 170A in the Articles of Association** and to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force and as may be amended from time to time), the existing Article No. 170A be and is hereby substituted and a new Article is inserted in the Articles of Association of the Company as under:

- "170A. Notwithstanding anything contained in Articles of Association of the Company, the holders of 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital; shall be non-participating in the surplus funds,

assets and profits which may remain after the entire capital has been repaid on winding-up of the Company; shall be paid dividend on a non-cumulative basis; shall carry voting rights as per the provisions of Section 47(2) of the Act; and shall be redeemable at par within a period not exceeding 20 years from the date of their issue or an earlier date only at the discretion of the company."

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

10. **To approve remuneration to Sh. Kamal Oswal, Managing Director of the company** and in this regard to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, Schedule-V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration committee, the Board of Directors of the Company and subject to such approvals as may be required, the approval of the members of the Company be and is hereby given for payment of remuneration made to Sh. Kamal Oswal, Managing Director of ₹ 26156040/- during financial year ended 31.03.2019 and to waive the recovery of remuneration and consequential retention thereof by him of ₹ 81,42,029/- which is in excess of the limits prescribed under the Companies Act, 2013 and Schedule-V thereto but within the limits as approved by the members of the company at their 33rd Annual General Meeting held on 26.09.2017.

"RESOLVED FURTHER THAT pursuant to the provisions of section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, Schedule-V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (LODR) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force) and in furtherance of the Special Resolution passed in the 33rd Annual General Meeting held on 26.09.2017 (33rd AGM) and pursuant to the recommendation of Nomination and Remuneration committee, Board of Directors of the Company and subject to such approvals as may be required, the approval of the members of the Company be and is hereby given for payment to Sh.



Kamal Oswal, Managing Director (DIN : 00493213) such remuneration, as approved in the said resolution, (terms & conditions re-produced in the annexed Explanatory Statement) as Minimum Remuneration comprising of salary, perquisites and allowances (other than commission), in case the company has no profit or the profits of the Company are inadequate during the period commencing from 1st April, 2019 till the expiry of his present term i.e. up to 31st January, 2023 or for such shorter period as may be prescribed under applicable laws notwithstanding that such remuneration may exceed the limits specified under section 197 of the Companies Act, 2013 and Schedule -V thereto."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution."

11. To sell, lease or otherwise dispose of Spinning Unit of the company and in this regard to consider and if thought fit to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to the consents, approvals and permissions being obtained from the appropriate authorities to the extent applicable or necessary, the consent of the members of the company be and is hereby given to the Board of Directors of the Company to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking/properties including plant and machineries of Spinning Unit No. III located at Lalru, Distt. Mohali, Punjab to any Company, firm or individual, on such terms and conditions at mutually negotiated price, as the Board of Directors of the company may deem fit and proper in the interest of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to complete the sale, lease or otherwise dispose of the whole or substantially the whole of the undertaking/properties and to sign, seal and deliver such instruments, assignments, contracts, deeds, conveyances or any other documents, with such modifications as may be required and to do all such acts, deeds, matters and things, as may be deemed necessary or expedient in the interest of the Company and to give effect to this resolution."

By Order of the Board of Directors

sd/-

Mukesh Sood
Company Secretary

Place : Ludhiana
Date : 14th August, 2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2019 to 30th September, 2019 (both days inclusive).
5. The documents referred to in the Explanatory Statement are open for inspection at the registered office of the Company on any working day (except Saturday and Holiday) between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
6. Electronic copy of the Annual Report for the year 2018-19 is being sent to all the members who's Email IDs are registered with the Company / Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered the Email address, physical copies of the Annual Report is being sent separately.
7. The information required to be provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards, regarding the Directors who are proposed to be re-appointed is given in the Explanatory Statement and forms part of the notice.



8. Members holding equity shares in physical form are requested to notify the change of their address, if any, at the earliest to the Company's Share Department or Registrar & Transfer Agent (RTA). However, members holding equity shares in dematerialized form may notify the change in their address, if any, to their respective depository participants.
9. Members are informed to send all documents and communications pertaining to equity shares to M/s. Alankit Assignments Limited, RTA Division, Alankit House, 1E/13, Jhandewalan Extension, New Delhi-110055, Share Transfer Agent for both physical and dematerialized segment of equity shares. Please quote on all correspondence - Unit: Nahar Industrial Enterprises Limited.
10. Pursuant to provisions of section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (the IEPF Rules), all shares, in respect of which dividend has not been claimed by the shareholders of the Company for seven consecutive years, have already been transferred by the Company in the name of INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS. Members are hereby informed to claim the unclaimed / unpaid dividend relating to 2012-13 onwards at the earliest, as the same is required to be transferred to IEPF from 4.10.2020 onwards.
11. Members seeking any information with regard to the accounts at the time of the meeting are requested to write to the Company at least 10 days before the date of the meeting so as to enable the management to keep the relevant information ready.
12. The members are requested to bring the copy of Annual Report along with them at the meeting.
13. 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.
14. **The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Your company has joined the MCA in its environmental friendly initiative. The company would send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register / update their latest e-mail**

addresses with the Depository Participants (D.P.) with whom they are having Demat Account or send the same to the Company via e-mail at : msood@ownnahar.com or share@ownnahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and applicable provisions of SS-2 issued by ICSI, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 35th Annual General Meeting of the Company.
- II. The Annual Report is being sent by E-mail to those members who have registered their E-mail address with the Company/Depository Participants. Members who have not registered their E-mail address will receive this Annual Report along with Postal Ballot Form through permitted mode.
- III. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 27.09.2019 (09.00 a.m.) and ends on 29.09.2019 (05.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on "Shareholders".
 - (iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN 190822032** for the relevant NAHAR INDUSTRIAL ENTERPRISES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to

the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Window phone users can download the app from the App Store and the Window Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-individual Shareholders and Custodian:-
 - Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing stamp & sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues



regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.09.2019.
- V. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- VI. M/s. P.S.Bathla & Associates, Company Secretaries (Membership No. FCS-4391) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- VIII. The Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
- IX. A member can opt for only one mode of voting i.e. either through e-voting or by Ballot Form. If a member votes by both modes, the voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.
- X. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through Post to declare the final results for each of the Resolutions forming part of the Notice of this AGM.
- XI. The results declared along with the Scrutinizer's Report shall be placed on the Company's website: www.ownnahar.com and on the website of CDSL with in two days of passing of the resolutions at the AGM of the Company and communicate to BSE Limited and National Stock Exchange of India Limited.

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

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

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. R.R. & Co., Cost Accountants, Ludhiana as Cost Auditors to conduct the audit of the cost accounting records of Textile and Sugar segments of the Company for the financial year ending 31.3.2020 at such remuneration, as mentioned in the resolution.

In accordance with the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.3.2020.

The Board, therefore, recommend the passing of the resolutions (Item No. 4) of the accompanying Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 5 to 6

The Authorized Share Capital of the Company, at present is Rs. 150,00,00,000/- (Rupees one hundred fifty crores only) divided into 5,00,00,000 (five crore only) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,00,00,000 (one crore only) 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees one hundred) each. The Company requires long term funds for its business. Therefore, it is proposed to increase the Authorized Share Capital of the Company suitably. Your directors are of the opinion that the existing Authorized Share Capital should be increased suitably to enable them to issue 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS), as and when required. It is therefore considered desirable to increase the present Authorized Share Capital in the manner as specified in Item No. 5 of the Notice.

In order to incorporate the changes in the Authorized Share Capital in the Memorandum of Association of the Company, as specified in Item No. 5 of the Notice, Clause V of the Memorandum of Association of the Company is proposed to be substituted in the manner as specified in Item No. 5 of the Notice.

Since Clause V of the Memorandum of Association of the Company is being altered, it is also necessary to alter the Article No. 4 of the Articles of Association of the Company in the manner as specified in Item No. 6 of the Notice.

The Board, therefore, recommend the passing of these resolutions (Item No. 5 and 6) of the accompanying Notice in the interest of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 and 6.

Item No. 7

The Management of the Company has been exploring various options for raising long-term funds required by the Company for general corporate purposes including but not limited to meet the working capital and capital expenditure requirements of the Company.

As per section 42, 55, 62 and other applicable provisions



of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Prospectus and allotment of securities) Rules, 2014, the consent of the shareholders is required to be sought to empower/authorize the Board of Directors to offer, issue and allot up to 25,00,000 - 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of the face value of Rs. 100/- each (NCNCRPS), on Preferential basis aggregating to Rs. 25.00 crores, in one or more tranches, to promoter group entities and their associates on such terms and conditions and manner as may be decided by the board. The Board in its meeting held on 14.08.2019 recommends resolution to be passed by the shareholders. The Resolution at Item No. 7 of the accompanying Notice has accordingly been placed before the members for its approval as Special Resolution. Given below is a statement of disclosure as required under rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2013 and the terms of issue are as under:

a) The size of the issue and number of Preference Shares to be issued and nominal value of each share:	Up to 25,00,000 - 5.5% Non Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only)
b) The nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible:	Non-Cumulative, Non-Participating, Non-Convertible, Redeemable Preference Shares
c) The objectives of the issue:	General corporate purposes including but not limited to meet out the working capital requirements and to meet capital expenditure
d) The manner of issue of shares:	The said Preference Shares are proposed to be issued on preferential basis
e) The price at which such shares are proposed to be issue:	The said Preference Shares are proposed to be issued at the face value of Rs. 100/- each
f) The basis/ justification on which the price has been arrived at:	Not Applicable, since the issue is at Par.
g) The terms of issue, including terms and rate of dividend on each share, etc.:	The proposed Preference Shares shall be issued to promoter group entities and its associates on preferential basis. The Preference Shares shall be non-cumulative, non-convertible and non-participating. The rate of dividend shall be 5.5% p.a. The Preference Shares shall have voting rights as per section 47(2) of the Companies Act, 2013 and are transferrable.
h) The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the shares are convertible, the terms of conversion:	NCNCRPS shall be redeemable at par within 20 years from the date of their issue or an earlier date only at the discretion of the company.
i) The manner and mode of redemption:	The proposed Preference Shares shall be redeemed in accordance with the provisions of Companies Act, 2013 read with relevant rules as amended from time to time.
j) The expected dilution in equity share capital upon conversion of Preference Shares:	Not applicable since the proposed Preference Shares to be issued are non-convertible.

Equity shareholding pattern as on 30.06.2019:-

Sr. No.	Category of the shareholder(s)	No. of Shares held	Percentage to Paid-up Capital (%)
1.	Promoters	27385037	68.75
2.	Mutual Funds and UTI	13173	0.03
3.	Banks & Financial Institutions	369	0.00
4.	Insurance Companies	169463	0.43
5.	Foreign Holding (NRIs)	242651	0.61
6.	Private Bodies corporate (others)	534077	1.34
7.	IEPF authority	1300264	3.26
8.	Indian Public	10190107	25.58
	TOTAL	39835141	100.00

The Preference Shares are non-convertible there is no dilution in Equity Share Capital. The issue of Preference Shares is in accordance with the provisions of the Articles of Association of the Company. There is no default in the redemption of Preference Shares issued by the Company or in payment of dividend due on any Preference Shares issued by the Company.

The Board, therefore, recommend the passing of this resolution (Item No. 7) of the accompanying Notice in the interest of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives may be deemed to be concerned or interested in the resolution at Item No. 7 except to the extent that the said Preference Shares that may be subscribed to by the companies/ firms in which they are interested.

Item No. 8 and 9

As you are aware that the company had issued/offered 1,00,00,000 - 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each (NCNCRPS) aggregating to Rs. 100.00 crores to the promoter group entities and their associates on the following terms and conditions:-

- NCNCRPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital;
- NCNCRPS shall be non-participating in the surplus funds;
- NCNCRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding-up of the Company;
- Holder(s) of NCNCRPS shall be paid dividend on a non-cumulative basis;
- NCNCRPS shall not be convertible into equity shares;
- NCNCRPS shall carry voting rights as per the provisions of Section 47(2) of the Act;
- NCNCRPS shall be redeemable at par within 5 years from the date of allotment. Not with standing the foregoing, the company will have the option to redeem the NCNCRPS after expiry of two years from the date of allotment during the tenure; and
- NCNCRPS shall not be listed with any stock exchange.

The NCNCRPS are required to be redeemed at par within



five years from the date of allotment. It is further informed that the company has evaluated the possible cash flow to the company in near future. It has ascertained that redemption of the said NCNCRPS may not be feasible on due dates considering the current cash flow and funds required by the Company for its general corporate purpose. The Board has discussed the matter in their meeting held on 14.08.2019 and has decided to vary the period of redemption of NCNCRPS, as contained in the resolution, subject to necessary approvals of Equity and preference shareholders.

The Board believes that this proposal is in the interest of the company and the shareholders. Now the approval of the members is accordingly being sought by means of a Special Resolution under section 55 read with section 42, 48 and other applicable provisions of the Companies Act, 2013 and Rules framed there under.

Article No. 170A of the Articles of Association of the Company is also altered and substituted accordingly as mentioned in Item No. 9.

The Board, therefore, recommend the passing of the resolutions (Item No. 8 and 9) of the accompanying Notice in the interest of the Company. None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 8 and 9.

Item No. 10

Sh. Kamal Oswal was re-appointed as Managing Director of the Company for a period of five years with effect from 1st February 2018 till 31st January 2023, by means of Special Resolution passed by the Members at the 33rd Annual General Meeting of the Company held on 26th September 2017 on the following terms and conditions:-

1. Salary - ₹ 40,00,000/- (Rupees forty lacs only) per month.
 2. Commission - 1.5% of the net profit.
 3. Perquisites as mentioned below:-
- a) **Housing:** Sh. Kamal Oswal shall be entitled to House Rent Allowance @ 60% of the Salary.
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of Sh. Kamal Oswal.
 - b) **Medical Reimbursement:** Reimbursement of medical expenses incurred (including medical insurance premium) on self and family subject to a ceiling of one month salary in a year. However, this medical entitlement can be accumulated for the period of five years.
 - c) **Leave Travel Concession:** Leave Travel Concession for self and family once in a year as per company's rules.
 - d) **Personal Accident Insurance:** Personal Accident Insurance of an amount the annual premium of which shall not exceed Rs. 20,000/- per annum.

e) **Car & Telephone:** Free use of company's car for official work as well as for personal purposes along with driver and telephone at company's cost.

f) **Club Membership:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

g) **Provident Fund and Gratuity:** As per company's rules.

Other perquisites which the company may provide at a later date shall be as per the rules of the company.

Note: For the purposes of perquisites stated hereinabove family means the spouse, the dependent children and dependant parents of the appointee.

At the time of his re-appointment, the company had adequate profits and the remuneration paid / payable to Sh. Kamal Oswal was well within the limits prescribed under the Companies Act, 2013 and Schedule-V thereto. The financial performance of the company in the year ended 31.03.2019 did not meet expectations. The textile industry remained fragile and due to slowdown in the economies and slackened demand in textile industry, it is possible that the company may also has inadequate profits / nil profits in coming years. The remuneration paid to Sh. Kamal Oswal for the financial year 2018-19 exceeded the limits specified under the section 197 of the Companies Act, 2013 read with Schedule V thereto.

Pursuant to provisions of section 197, 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate / nil profit, may subject to certain conditions, including the passing of a special resolution by shareholders, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The Nomination and Remuneration Committee has recommended and the Board of Directors have waived the excess remuneration paid to Sh. Kamal Oswal during FY 2018-19 and also approved the payment of minimum remuneration to be paid for the remaining period of his tenure as proposed in the resolution. The management of the company believes that the remuneration as previously approved by the members of the company and paid to Sh. Kamal Oswal is justified in terms of his key role within the company. It may be noted that the remuneration proposed to be paid to Sh. Kamal Oswal is within the overall limits as approved by the members of the company in their 33rd AGM.

Statement as required under section II of part II of the schedule V of the Companies Act, 2013 with reference to the Special Resolution as set out at Item No. 10 of the Notice.

I) General Information

- 1 **Nature of Industry :** Textile and sugar industry
- 2 **Date of expected date of commencement of commercial production:**
The Company was incorporated on 27.09.1983 and is working since then.



3 In case of new companies, expected date of commencement of activities as per project approved by financial Institutions appearing in the prospectus :

Not Applicable

4 Financial performance based on given indicators : (₹ In lacs)

Particulars	For the Year ended 31.03.2019	For the year ended 31.03.2018
Total Revenue	186616.24	176274.88
Profit/(Loss) before Tax	(1087.37)	1780.81
Profit/(Loss) after Tax	(2157.52)	1722.14

5 Foreign investment or collaborators, if any : Nil

II) Information about the appointee

1 Background details:

Sh. Kamal Oswal (DIN: 00493213), aged 57 Years, a Commerce Graduate, is a renowned industrialist having 35 years of experience in the industry. He is also the Managing Director of Oswal Woollen Mills Limited and is drawing salary as per the resolution passed by the shareholders of the company.

2 Past remuneration:

Particulars	For the year ended on 31.03.2019	For the year ended on 31.03.2018
Basic Salary	24239520	24239520
Value of perquisites	188520	226600
Commission	Nil	Nil
PF contribution	1728000	1728000
TOTAL	26156040	26194120

3 Recognition of awards:

Previously he was holding the position of Industrial Advisor to the Government of Punjab.

4 Job profile and suitability:

Sh. Kamal Oswal was first appointed as Managing Director of the Company on 01.02.1998 and is holding this position since then. He was re-appointed as Managing Director of the Company for the period from 01.02.2018 till 31.01.2023.

5 Remuneration proposed:

The remuneration is as described in the Special Resolution at Item No. 10 of the Notice and in case of no profit or inadequate profit in any financial year commencing from 01.04.2019 up to 31.01.2023, remuneration be paid to him comprising of salary, perquisites and other allowances, as proposed in the resolution and detailed hereinabove.

6 Comparative remuneration profile with respect to industry size of the Company, profile of the position and person :

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

7 Pecuniary relationship directly or indirectly with

the company, or relationship with the managerial personnel, if any:

Sh. Kamal Oswal is one of the promoters of the company and holds 1294 equity shares in the company. He is also related to Sh. Jawahar Lal Oswal, Chairman and Sh. Dinesh Oswal, Director of the Company. Sh. Kamal Oswal has no pecuniary relationship directly or indirectly with the Company other than his remuneration drawn in the capacity of Managing Director of the Company.

III) Other information

1 Reason for loss or inadequate profit:

The Textile Industry is passing through a very difficult period. The slowdown in the economies and slackened demand for company's products i.e. yarns and fabrics resulted a drastic fall in the prices of finished goods. The scenario is not expected to improve in the coming periods as raw cotton prices has remained at the higher level whereas the prices of the yarns and fabrics has come down substantially, resulting severe adverse conditions for the textile industry.

2 Steps taken or proposed to be taken for improvement:

It is expected that with the recovery of economies and domestic demands coupled with Government initiatives will benefit the textile industry in the coming years. The management of the company is making all efforts to meet the prevailing concern by focusing its efforts on improving operational parameters and improvement in efficiency of both human and mechanical assets, to reduce the cost pressure.

3 Expected increase in productivity and profits in measurable terms:

The Textile Industry is witnessing a slowdown because of global slowdown in the economies of the world and weak demand in domestic market. In anticipation of revival of the economies of U.S. and European Union in future, the Company expects overall improvement in performance over medium to long term.

4 Disclosures:

All disclosures required under Section II of Part II of Schedule-V to the Companies Act, 2013 have been provided in the Corporate Governance Report

His Directorship / Membership in Committees of the Board of various companies are as under:-

Company	Stakeholders Relationship	Member
Nahar Industrial Enterprises Ltd.	CSR	Chairman
Oswal Woollen Mills Ltd.	--	--
Nahar Spinning Mills Ltd.	--	--
Nahar Poly Films Ltd.	Share Transfer	Member
Nahar Industrial Infrastructure Corpn. Ltd.	--	--
Cotton County Retail Ltd.	Nomination & Remuneration	Chairman
Oswal Leasing Ltd.	--	--
Sankheshwar Holding Co. Ltd.	--	--
Nahar Capital & Financial Services Ltd.	--	--
Vardhman Investments Ltd.	--	--
Crownstar Ltd. (UK)	--	--
Neha Credit and Investment Pvt. Ltd.	--	--
Abhilash Growth Fund Pvt. Ltd.	CSR	Member
Nahar Growth Fund Pvt. Ltd.	--	--

The Board, therefore, recommend the passing of this resolution (Item No. 10) of the accompanying Notice in the interest of the Company. Sh. Jawahar Lal Oswal, Sh. Dinesh Oswal, Mrs. Manisha Oswal and Sh. Abhinav Oswal, being his relatives and Sh. Kamal Oswal himself may be deemed to be



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

Item No. 11

The performance of Spinning Unit No. III located at Lalru, Distt. Mohali, Punjab, which is more than 20 years old, has been putting adverse pressure on the performance of the company. Due to non-viability of operations of this unit the Board has decided to shut down the same. The useful machineries of this unit to be re-located within the company's existing spinning facilities and the obsolete machineries to be disposed off. The sale proceeds resulting from the transaction would be utilized for general corporate purposes and meeting the working capital requirements of the Company. This would not have any material/ adverse effect on the operations of the company.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 consent / approval of the members is required to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking/ properties as mentioned above. The Board is of the opinion that it would be in the best interest of the Company, its shareholders and all concerned. The Board of Directors accordingly proposed a Special Resolution for the approval of the members.

The Board, therefore, recommend the passing of this resolution (Item No. 11) of the accompanying Notice. None of the Directors/ Key Managerial Personnel of the Company/ their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 14th August, 2019

Mukesh Sood
Company Secretary

ANNEXURE TO THE NOTICE

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

Name of Director and Brief Resume	Nature of Expertise in Specific Functional Areas	Details of Directorships and Committee positions in various companies			Share holding in the company	Relationship between Directors inter-se	Terms and Conditions of Appointment	Other Details
		Directorships	Committees	Status				
Sh. Jawahar Lal Oswal (DIN:00463866) Age: 76 years Qualification: Commerce Graduate	56 years of experience in textile Industry	Oswal Woollen Mills Ltd.	CSR Shareholders	Chairman Chairman	Nil	Relative of Sh. Kamal Oswal and Sh. Dinesh Oswal	Liable to retire by rotation Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : 14.10.1991 Remuneration last drawn : Rs. 10,000/- per Board meeting. No. of Board meetings attended during last year : 6 (six)
		Monte Carlo Fashions Ltd.	CSR Share Transfer Risk Management	Chairman Chairman Chairman				
		Nahar Poly Films Ltd.	--	--				
		Nahar Capital & Financial Services Ltd.	--	--				
		Nahar Industrial Enterprises Ltd.	--	--				
		Nahar Spinning Mills Ltd.	--	--				
		Nagdevi Trading & Investment Co. Ltd.	--	--				
		Sankheshwar Holding Co. Ltd.	--	--				
		J L Growth Fund Ltd.	--	--				
		Crownstar Ltd. UK	--	--				
		Neha Credit & Investment Pvt. Ltd.	--	--				
		Nahar Growth Fund Pvt. Ltd.	--	--				
		Abhilash Growth Fund Pvt. Ltd.	--	--				
		Ruchika Growth Fund Pvt. Ltd.	--	--				



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		Monica Growth Fund Pvt. Ltd.	--	--				
		White Tiger Breweries & Distilleries Ltd.	--	--				
Sh. Dinesh Oswal (DIN: 00607290) Age: 54 years Qualification: Commerce Graduate	34 years of experience in textile Industry	Nahar Spinning Mills Ltd.	Share Transfer CSR	Chairman Chairman	30	Relative of Sh. Jawahar Lal Oswal and Sh. Kamal Oswal	Liable to retire by rotation Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : 15.12.1988 Remuneration last drawn : Sitting Fee @ Rs. 10,000/- per Board meeting. No. of Board meetings attended during last year : 7 (seven)
		Nahar Poly Films Ltd.	Share Transfer CSR	Chairman Chairman				
		Nahar Capital & Financial Services Ltd.	Share Transfer CSR	Chairman Chairman				
		Vanaik Investors Ltd.	--	--				
		Nahar Industrial Infrastructure Corpn. Ltd.	--	--				
		Oswal Woollen Mills Ltd.	--	--				
		Nahar Industrial Enterprises Ltd.	--	--				
		Atam Vallabh Financiers Ltd.	--	--				
		Crownstar Ltd. UK	--	--				
		Vardhman Investments Ltd.	--	--				
		Abhilash Growth Fund Pvt. Ltd.	--	--				

By Order of the Board of Directors

Place : Ludhiana
Date : 14th August, 2019

sd/-
Mukesh Sood
Company Secretary



DIRECTORS REPORT

Dear Members,

Your directors have pleasure in presenting their 35th Annual Report together with the audited financial statements for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2019 is summarized below:

	(₹ in lacs)	
Particulars	Current Year	Previous Year
Revenue from operations	1,86,616.24	1,76,274.88
Profits Before Depreciation, Finance Cost and Tax	13,482.81	15,430.85
Less: Depreciation	7,858.34	6,576.90
Less: Finance Cost	6,711.84	7,073.14
Profits/ (Loss) Before Exceptional Item and Tax	(1,087.37)	1,780.81
Exceptional Item	665.01	--
Profit / (Loss) Before Tax	(1,752.38)	1,780.81
Less Tax Expense:		
1) Current Tax	--	413.00
Less: Mat Credit Entitlement	--	(413.00)
2) Deferred Tax	405.14	58.67
Profit / (Loss) After Tax for the period	(2,157.52)	1,722.14
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
i) Re-measurement gains/(losses) on defined benefit plans	385.97	238.59
Income tax effect on the above	(134.87)	--
ii) Net gain / (loss) on FVOCI equity instruments	(484.67)	(949.71)
Income tax effect on the above	(195.08)	195.08
Total Comprehensive Income for the period	(2,586.17)	1,206.10

2. PERFORMANCE REVIEW

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

i) **Textile:** The textile division accounts for 92.20% (including inter-segment) of the total turnover of the company for the year ended 31st March, 2019. The Business wise performance of this segment is as under:

a. **Yarn:** The Company has produced 67,224 MTs of yarn as against 64,350 MTs in the previous year.

b. **Fabric:** The Company has produced 804.70 lacs meters of fabrics (both grey and processed) as against 705.29 lacs meters in the previous year.

The total turnover of this segment (Yarns and Fabrics) has Increased to ₹ 1,720.56 crores as against ₹ 1,540.37 crores in the previous year showing a Increase of 11.70%.

ii) **Sugar:** The Company has produced 5,04,725 Qtls. of sugar as against 5,63,310 Qtls. in the

previous year at a Recovery rate of 10.65% (previous year 10.70%).

The total turnover of this segment has decreased to ₹ 145.14 crores as against ₹ 224.00 crores in the previous year showing a decrease of 35.21%.

Overall Performance

The year under review was tough for the textile industry. The company has achieved operational income of ₹ 1866.16 crores as against ₹ 1762.74 crores showing an increase of 5.87% over the previous year. The company has earned Profit before depreciation, finance cost and tax of ₹ 134.83 crores as against ₹ 154.31 crores in the previous year. After providing for Depreciation of ₹ 78.58 crores (previous year ₹ 65.77 crores), finance cost of ₹ 67.12 crores (previous year ₹ 70.73 crores) and Tax Expenses of ₹ 4.05 crores (previous year ₹ 0.59 crores) (inclusive of Deferred Tax) the Loss for the year comes to ₹ 21.58 crores as against Profit of ₹ 17.22 crores in the previous year.

We would also like to share with you the prevailing



scenario in the Textile industry. The Textile industry is passing through a difficult phase of uncertainties. The demand for textile products has fallen because of global slowdown. The Cotton price remained firm. The high cotton prices coupled with lower global demand are affecting the fortunes of the textile industry. This further compounded by the US-China trade disputes. Spinning mills have already cut down their production even some mills have closed their operations because of prevailing adverse scenario. Uncertainties prevailing and future are still not clear. With the right Government policies, we believe that the India Textile industry is well poised to benefit from the large opportunities offered in the domestic and export market.

3. TRANSFER TO RESERVES

Your company has transferred ₹(26.96) lakhs (previous year ₹6.53 crores) from the General Reserves.

4. CREDIT RATING

The Rating Committee of ICRA has revised the long term and short term rating for Bank facilities of the Company to [ICRA] A- (pronounced ICRA A minus) and [ICRA] A2+ (pronounced ICRA A two plus) from [ICRA] A (pronounced ICRA A) and [ICRA]A1 (pronounced ICRA A one) respectively. The outlook on the long term rating is stable.

5. DIVIDEND

Due to loss suffered by the Company, your directors express their inability to recommend dividend for the financial year ended on 31st March, 2019.

6. INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act 2013 and rules framed there under, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid account is required to be transferred to Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, the Company has transferred ₹ 18,36,179/- being the amount of unclaimed dividend for the year 2010-11 to the IEPF. Members who have not yet en-cashed or claimed the dividends, that are yet to be transferred to the IEPF, are requested to contact the Company at the earliest.

In terms of the requirements of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit,

Transfer and Refund) Rules, 2016, as amended ('the Rules') the Company is required to transmit the Shares in respect of which the dividend has remained unpaid or unclaimed for a period of seven consecutive years to the IEPF Account. Members are requested to take note of the same and claim their unclaimed dividend immediately to avoid transmission of the underlying shares to IEPF Account. The shares transmitted to the IEPF Account can be claimed back by the concerned members from the IEPF authority after complying with the procedure prescribed under the rules. During the Financial year 2018-19, the Company has transmitted 1,39,490 Shares to IEPF Account. The list of members whose shares have been transmitted to IEPF Authority is displayed on the website of the company at web-link: www.ownnahar.com/nahar_ie/transfer-of-equity-shares.php.

7. SHARE CAPITAL

During the year 2018-19, the company has allotted 67,20,000 - 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) of ₹ 100/- each aggregating to ₹ 67,20,00,000/- to Cotton County Retail Ltd., one of promoter group entities. The company has utilized the amount for the purposes it was raised. As on 31st March, 2019 the paid up Share Capital of the Company is ₹ 107,03,51,410/- consisting of Equity Share Capital of ₹ 39,83,51,410/- and Preference Share Capital of ₹ 67,20,00,000/-. During the year under review, the Company has not granted any stock options or sweat equity. As on 31st March, 2019 none of the Promoters / Directors of the Company hold instruments convertible into equity shares of the Company.

8. DEPOSITS

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

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

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

10. MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

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



financial year till the date of this report.

11. DIRECTORS

Re-appointment of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Sh. Jawahar Lal Oswal (DIN: 00463866) and Sh. Dinesh Oswal (DIN: 00607290), Directors of the Company will be retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Accordingly, the requisite resolution(s) are proposed at the ensuing Annual General Meeting for approval.

Declaration by Independent Directors

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

Number of Meetings of the Board

During the year seven Board Meetings were convened and held on 30.5.2018, 14.8.2018, 14.11.2018, 15.1.2019, 14.2.2019, 15.3.2019 and 27.3.2019. The detail thereof is given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has devised a policy for performance evaluation of the board, its committees and all the Directors individually as per the criteria laid down by the Nomination & Remuneration Committee of the Company. The manner of evaluation is stated in the Corporate Governance Report forming an integral part of this report.

Independent Directors Meeting

During the financial year 2018-19, the Independent Directors met on 8th December, 2018, inter-alia, to discuss:

- (i) The performance of Non-Independent Directors and the Board as a whole;
- (ii) The performance of the Chairman of the Company taking into account the views of Executive and Non Executive Directors and
- (iii) To assess the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the board to effectively

and reasonably perform their duties.

12. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the Annual Accounts for the year ended on 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that annual accounts have been prepared on a going concern basis.
- v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. EXTRACT OF ANNUAL RETURN

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

14. RELATED PARTY TRANSACTIONS

During the financial year under review, all transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and are at arm's length basis.



The company has not entered into any contract or arrangement with Related parties / Group companies other than in ordinary course of business. The details of Related Party Transactions are placed before the Audit Committee for its review and approval on quarterly basis. These transactions were entered into as per the Company's policy on Related Party Transactions and are approved by the Audit Committee, Board and also by Shareholders. The company's policy on Related Party Transactions is available at the weblink: www.owmnahar.com/nahar_ie/pdf/RPT_Policy.pdf. The details of Related Parties transactions are given in Note No. 40 of the Notes to Financial Statements. Pursuant to the provisions of section 134(3) Form AOC-2 is annexed herewith in **Annexure-B**.

15. AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Presently, the Audit Committee consists of Sh. Dinesh Gogna and Dr. (Mrs) Harbhajan Kaur Bal as Members and Dr. Vijay Asdhir is the Chairman of the Audit Committee. The detailed information regarding Audit Committee and its terms of reference is given in Corporate Governance Report forming an integral part of the Directors Report.

16. RISK MANAGEMENT

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

17. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Board adopted a Vigil Mechanism/ Whistle Blower Policy as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013 to report genuine concerns or grievances about unethical behavior of employees, actual or suspected fraud or violation of the Company's Code of Conduct. The Company's Vigil mechanism/ Whistle Blower

Policy are available at the Company's website i.e. www.owmnahar.com.

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

The Indian Accounting Standard (Ind AS) became applicable on the Company w.e.f. 1st April, 2016. Accordingly, the Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company is having adequate internal financial control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures optimal utilization and protection of Company's resources. The Internal Auditor monitors and evaluates the efficiency and adequacy of internal control systems in the company, its compliance with operating systems, accounting procedures and also ensures that the internal control systems are properly followed by all concerned departments of the company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The company had engaged an independent agency to access the adequacy of the existing internal financial controls and suggest means for further strengthening the same.

19. COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

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

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company has constituted a Corporate Social Responsibility (CSR) Committee of the board in accordance with section 135 of the Companies Act, 2013. The Company has adopted a CSR Policy and undertaking CSR programmes / projects along with group companies under one umbrella through Oswal Foundation (OSF) which is a registered society formed in 2006 having its charitable objects in various fields. The Company is working proactively with the OSF to finalize the projects and identify the new projects for fulfilling its CSR obligations.



Pursuant to the provisions of section 135 of the Companies Act, 2013, an expenditure of Rs. 1,10,25,100/- is to be spent by the Company during the financial Year 2018-19 for its CSR Activities.

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

22. NOMINATION & REMUNERATION POLICY

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

23. AUDITORS

i) Statutory Audit & Auditor's Report

The shareholders at their 33rd Annual General Meeting (AGM) held on 26th September, 2017 had approved the appointment of M/s. K.R. Aggarwal & Associates, Chartered Accountants, (Firm Registration No.030088N) as statutory auditors of the Company, to hold office from the conclusion of 33rd AGM up to the conclusion of 38th AGM to be held in the year 2022.

ii) Cost Auditor & Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its textiles and sugar segments are required to be audited. The Company has maintained accounts and cost records with respect to Textile and Sugar business as specified by the Government under Section 148(1) of the Companies Act, 2013. The cost audit report for the financial year 2017-18 was filed with the Ministry of Corporate Affairs on 26.10.2018. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. R.R. & Co., Cost Accountants, Ludhiana to audit the cost accounts of the Company for

the financial year 2019-20. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. R.R. & Co., Cost Accountants, is included in the Notice convening the Annual General Meeting.

iii) Secretarial Audit & Secretarial Audit Report

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

24. KEY MANAGERIAL PERSONNEL

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

25. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended up to date) in respect of employees of the Company, forming part of the Directors' Report for the year ended 31st March, 2019 is given in **Annexure-E** to this Report.

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

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

27. CORPORATE GOVERNANCE REPORT

Your Company continues to follow the principles of good corporate governance. The corporate governance report along with Auditor's certificate regarding compliance of the conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming compliance is attached



herewith as **Annexure-G** and forms part of this Report.

28. ASSOCIATE / CONSOLIDATED FINANCIAL STATEMENT

As on 31st March, 2019 the company had four Associate Companies i.e. Cotton County Retail Limited, Atam Vallabh Financiers Limited, Vardhman Investment Limited and J L Growth Fund Limited, the accounts of which have been consolidated in accordance with the applicable Accounting Standards (Ind AS) and pursuant to Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The audited consolidated financial statements are provided in the Annual Report. A statement containing salient features of financial statements of associate companies in Form AOC-1 is annexed with the financial statements. The financials of the associate companies is given below:-

i) Cotton County Retail Limited (CCRL)

The company holds 47.66% equity shares of CCRL. During the year, the revenue from operations of the company was ₹ 4669.22 lacs as compared to ₹ 4409.16 lacs in the previous year. The company has incurred a net loss of ₹ 78.67 lacs as against a net loss of ₹ 2.82 lacs in the previous year.

ii) Atam Vallabh Financiers Limited (AVFL)

The company holds 36.85% equity shares of AVFL. During the year, the revenue from operations of the company was ₹ 34.54 lacs as compared to ₹ 56.45 lacs in the previous year. The company has earned a net profit of ₹ 26.44 lacs as against ₹ 46.29 lacs in the previous year.

iii) Vardhman Investment Limited (VIL)

The company holds 47.17% equity shares of VIL. During the year, the revenue from operations of the company was ₹ 32.89 lacs as compared to ₹ 60.58 lacs in the previous year. The company has earned a net profit of ₹ 23.50 lacs as against ₹ 50.39 lacs in the previous year.

iv) J L Growth Fund Limited (JLGF)

The company holds 41.10% equity shares of JLGF. During the year, the revenue from operations of the company was ₹ 42.29 lacs as compared to ₹ 86.13 lacs in the previous year. The company has incurred a net loss of ₹ 0.63 lacs as against a net profit of ₹ 79.45 lacs in the previous year.

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

The company is committed to create and maintain an atmosphere in which employees can work together, without any fear of exploitation. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2018-19 the company has not received any complaint on sexual harassment and hence no complaint remains pending as on 31st March, 2019.

30. INDUSTRIAL RELATIONS

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

31. ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

**Place : Ludhiana
Date : 14th August, 2019**

**sd/-
Jawahar Lal Oswal
(DIN: 00463866)
Chairman**



NAHAR INDUSTRIAL ENTERPRISES LIMITED

Annual Report 2018-19

Form No. MGT-9

ANNEXURE - A

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2019

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

I REGISTRATION AND OTHER DETAILS:

i) CIN	: L15143PB1983PLC018321
ii) Registration Date	: 27/09/1983
iii) Name of the Company	: Nahar Industrial Enterprises Limited
iv) Category / Sub-Category of the Company	: Company Limited by Shares/ Indian Non- Government Company
v) Address of the Registered office & contact details	: Focal Point, Ludhiana- 141010 Phone: 0161-2672590-592, E-mail: share@owmnahar.com; msood@owmnahar.com
vi) Whether listed company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: Alankit Assignments Limited (Unit: Nahar Industrial Enterprises Limited) Mr. Harish Agarwal/Mr. J.K. Singla Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi- 110 055 Phone: 011-42541234, Fax No.: 011-42541201, 23552001, E-mail : rta@alankit.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Textiles	131	92.15%
2.	Sugar	2060	7.77%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Cotton County Retail Limited Premises of Nahar Industrial Enterprises Ltd, Focal Point, Ludhiana - 141 010	U51311PB2001PLC024753	Associate	47.70%	Section 2(6)
2.	J.L. Growth Fund Limited 105, Ashoka Estates, 24, Barakhamba Road, New Delhi - 110 001	U74999DL1991PLC043054	Associate	41.10%	Section 2(6)
3.	Vardhman Investments Limited 105, Ashoka Estates, 24, Barakhamba Road, New Delhi - 110 001	U74899DL1972PLC006181	Associate	47.17%	Section 2(6)
4.	Atam Vallabh Financiers Limited 105, Ashoka Estates, 24, Barakhamba Road, New Delhi - 110 001	U67120DL1972PLC006180	Associate	36.85%	Section 2(6)



NAHAR INDUSTRIAL ENTERPRISES LIMITED

Annual Report 2018-19

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

(I) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year (As on 01/04/2018)				No. of shares held at the end of the year (As on 31/03/2019)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Promoters									
1. Indian									
a) Individual/HUF	1324	--	1324	0.01	1324	-	1324	0.01	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	27383463	--	27383463	68.74	27383713	--	27383713	68.74	--
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Subtotal (A)(1)	27384787	-	27384787	68.75	27385037	-	27385037	68.75	--
2. Foreign									
a) NRIs Individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies corporate	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
Subtotal (A)(2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	27384787	--	27384787	68.75	27385037	--	27385037	68.75	--
(B) Public Shareholding									
1. Institutions									
a) Mutual Fund/UTI	7153	6220	13373	0.03	7153	6120	13273	0.03	--
b) Banks/FI	29072	244	29316	0.07	244	125	369	0.00	-0.07
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govts.	--	--	--	--	--	--	--	--	--
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	169463	--	169463	0.43	169463	--	169463	0.43	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Cap Funds	--	--	--	--	--	--	--	--	--
i) Others (NRI)	184328	118225	302553	0.76	160966	98183	259149	0.65	-0.11
Sub total (B)(1)	390016	124689	514705	1.29	337826	104428	442254	1.11	-0.18
2. Non-Institutions									
a) Bodies Corporate									
I. Indian	672216	12675	684891	1.72	657278	11378	668656	1.68	-0.04
II. Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
I. Individual shareholder holding nominal share capital upto Rs 1 Lakh	4617486	2145348	6762834	16.98	4691496	1906037	6597533	16.56	-0.42
II. Individual shareholder holding nominal share cap. In excess of Rs 1 lakh	3311400	--	3311400	8.31	3426769	--	3426769	8.60	0.29
c) Others (NBFC)	15650	--	15650	0.04	14528	--	14528	0.04	--
d) IEPF Authority	1160874	--	1160874	2.91	1300364	--	1300364	3.26	0.35
Sub-total (B)(2)	9777626	2158023	11935649	29.96	10090435	1917415	12007850	30.14	0.18
Total Public Shareholding (B)=(B)(1)+(B)(2)	10167642	2282712	12450354	31.25	10428261	2021843	12450104	31.25	--
(C) Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	37552429	2282712	39835141	100.00	37813298	2021843	39835141	100.00	--



NAHAR INDUSTRIAL ENTERPRISES LIMITED

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(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01/04/2018)			Shareholding at the end of the year (As on 31/03/2019)			% change in share-holding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered of total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered of total shares	
1	Nahar Capital & Financial Services Ltd.	9336745	23.44	--	9336745	23.44	--	--
2	J L Growth Fund Ltd.	3421836	8.59	--	3421836	8.59	--	--
3	Nahar Poly Film Ltd	2708800	6.80	--	2708800	6.80	--	--
4	Vardhman Investment Ltd	2277955	5.72	--	2277955	5.72	--	--
5	Oswal Woollen Mills Ltd	2094819	5.26	--	2094819	5.26	--	--
6	Nagdevi Trading & Invest Co. Ltd	2273625	5.71	--	2273625	5.71	--	--
7	Atam Vallabh Financiers Ltd	1691364	4.24	--	1691364	4.24	--	--
8	Kovalam Investment & Trading Co. Ltd	2068920	5.19	--	2068920	5.19	--	--
9	Sankheswar Holding Co. Ltd	549842	1.38	--	549842	1.38	--	--
10	Vanaik Investors Ltd	460487	1.15	--	460487	1.15	--	--
11	Nahar Growth Fund Pvt Ltd	151785	0.38	--	151785	0.38	--	--
12	Nahar Financial & Investment Ltd	150870	0.38	--	150870	0.38	--	--
13	Neha Credit & Investment Pvt Ltd	80654	0.20	--	80654	0.20	--	--
14	Abhilash Growth Fund Pvt Ltd	42675	0.11	--	42675	0.11	--	--
15	Cotton County Retail Limited	73086	0.19	--	73336	0.19	--	--
16	Sh. Kamal Oswal	1294	0.01	--	1294	0.01	--	--
17	Sh. Dinesh Oswal	30	--	--	30	--	--	--
	Total	27384787	68.75	--	27385037	68.75	--	--

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

Sr No.	Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the Company	No. Of Shares	% of total shares of the Company
1	Cotton County Retail Ltd.				
	At the beginning of Year	73086	0.19	73086	0.19
	Purchased on 06.04.2018	250	0.00	73336	0.19

(iv) Shareholding Pattern of top ten Shareholders

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

Sr. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Date	Increase/ decrease in share holding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Mr. Tara Chand Jain	211954	0.53	01.04.2018 22.02.2019 15.03.2019 31.03.2019	12031 604	Purchase Purchase	211954 223985 224589 224589	0.53 0.56 0.56 0.56
2.	Mr. Vinodchandra Mansukhlal Parekh	185847	0.47	01.04.2018 31.03.2019			185847 185847	0.47 0.47
3.	Mr. Shaunak Jagdish Shah	150118	0.38	01.04.2018 31.03.2019			150118 150118	0.38 0.38
4.	Mr. Ashish Dubey	150000	0.38	01.04.2018 31.03.2019			150000 150000	0.38 0.38
5.	Ms. Seetha Kumari	155967	155967	01.04.2018 12.10.2018 19.10.2018 16.11.2018 31.03.2019	500 1785 (15319)	Purchase Purchase Sale	155967 156467 158252 142933 142933	0.39 0.39 0.40 0.36 0.36
6.	Ms. Sangeetha S.	130480	0.33	01.04.2018 31.03.2019			130480 130480	0.33 0.33
7.	Mr. Anil Kumar Goel	108000	0.27	01.04.2018 31.03.2019			108000 108000	0.27 0.27
8.	JAINAM PROPERTIES PRIVATE LIMITED	0	0	01.04.2018 31.03.2019	100787	Purchase	0 100787	0 0.25
9.	Mr. Manoj Kumar Chhalani	0	0	13.07.2018 20.07.2018 10.08.2018	44 1142 484	Purchase Purchase Purchase	44 1186 1670	0.00 0.00 0.01



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				28.09.2018	9079	Purchase	10749	0.03
				19.10.2018	1251	Purchase	12000	0.03
				26.10.2018	12	Purchase	12012	0.03
				02.11.2018	695	Purchase	12707	0.03
				09.11.2018	(575)	Sale	12132	0.03
				16.11.2018	18067	Purchase	30199	0.08
				23.11.2018	36002	Purchase	66201	0.17
				07.12.2018	7973	Purchase	74174	0.19
				18.01.2019	(5120)	Sale	69054	0.17
				01.02.2019	6549	Purchase	75603	0.19
				08.02.2019	2430	Purchase	78033	0.20
				22.02.2019	11001	Purchase	89034	0.22
				15.03.2019	10457	Purchase	99491	0.25
				31.03.2019			99491	0.25
10.	Mr. Pranav Kumarpal Parekh	96284	0.24	01.04.2018			96284	0.24
				31.03.2019			96284	0.24
11.	Mr. Ajay Parekh *	94069	0.24	01.04.2018			94069	0.24
				25.05.2018	500	Purchase	94569	0.24
				31.03.2019			94569	0.24
12.	Mr. Bodepudi Jeevan Kishore *	77741	0.20	01.04.2018			77741	0.20
				31.03.2019			77741	0.20

* Ceased from Top 10 Shareholders list during the year

The above information is based on the weekly beneficiary information received from depositories

(v) Shareholding of Directors and Key Managerial Personnel

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

V INDEBTEDNESS

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

(Rs. in '000)				
Particulars	Secured Loan excluding deposits	Un-secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
I. Principal Amount	3325340	627133	-	3952473
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	3325340	627133	-	3952473
Change in Indebtedness during the Financial Year				
Additions	510329	472649	-	982978
Reduction	945861	676500	-	1622361
Net Change	(435532)	(203851)	-	(639383)
Indebtedness at the end of the Financial Year				
I. Principal Amount	2889808	423282	-	3313090
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	2889808	423282	-	3313090

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Sh. Kamal Oswal Vice Chairman-cum- Managing Director	
1.	Gross Salary		
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24239520	24239520
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	188520	188520
c)	Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
-	As % of profit		
-	Other, specify		
5.	Others (Employer's share of PF)	1728000	1728000
	Total (A)	26156040	26156040
	Ceiling as per Schedule-V of the Act: Nil (as the company has incurred loss during the year under review)		



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B. Remuneration to Other Directors

Sr.	Particulars of Remuneration	Name of Directors					Total
1.	Independent Directors	Dr. (Mrs) Harbhajan Kaur Bal	Dr. Suresh Kumar Singla	Dr. Amrik Singh Sohi	Sh. Ajit singh Chatha	Dr. Vijay Asdhir	Amount
	a) Fee for attending board meetings	70000/-	50000/-	30000/-	50000/-	70000/-	270000/-
	b) Commission	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-
	Total (1)	70000/-	50000/-	30000/-	50000/-	70000/-	270000/-

2.	Other Non-Executive Directors	Sh. Jawahar Lal Oswal	Sh. Dinesh Oswal	Sh. Dinesh Gogna	Sh. Navdeep Sharma	Total
	a) Fee for attending board meetings	60000/-	70000/-	70000/-	70000/-	270000/-
	b) Commission	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-
	Total (2)	60000/-	70000/-	70000/-	70000/-	270000/-

Total Managerial Remuneration (Total (B) = (1+2))

540000/-

Overall ceiling as per the Act: 11% of the Net Profits- Nil (as the company has incurred loss during the year under review)

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS Mr. Mukesh Sood	CFO Mr. Bharat Bhushan Gupta	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1869565/-	1943151/-	3812716/-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
	Total (1)	1869565/-	1943151/-	3812716/-

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

sd/-

Jawahar Lal Oswal

(DIN: 00463866)

Chairman

Place : Ludhiana

Date : 14th August, 2019



NAHAR INDUSTRIAL ENTERPRISES LIMITED

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ANNEXURE - B

Form No. AOC-2

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

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

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

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

2.Details of material contracts or arrangement or transactions (2018-19) at arm's length basis

(₹ In lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)
Oswal Woollen Mills Ltd	Purchase of Goods	2018-19	11019.86	Not Required	
	Sale of Goods		14984.83		
	Freight Income		665.95		
	Expenses Reimbursement received		36.91		
	Expenses Reimbursement paid		6.81		
	Purchase of fixed Asset		0.09		
	Sale of Fixed Asset		49.25		
	FMP/FMS Licence Sale		159.20		
Nahar Spinning Mills Ltd	Purchase of Goods	2018-19	2488.81	Not Required	
	Sale of Goods		174.95		
	Freight Income		37.75		
	Expenses Reimbursement received		56.22		
	Expenses Reimbursement paid		10.49		
	Processing Charges Received		50.68		
	Purchase of Goods		18.21		
Monte Carlo Fashions Ltd	Sale of Goods	2018-19	403.99	Not Required	
	Rent Received		0.35		
	Expenses Reimbursement received		18.05		
	Processing charges received		11.96		
	Purchase of Goods		1.60		
Cotton County Retail Ltd.	Sale of Goods	2018-19	1731.74	Not Required	
	Rent Received		14.75		
	Freight Income		0.02		
	Expenses Reimbursement received		103.98		
	Purchase of Fixed Asset		0.62		
	Investment in Preference Shares		6720.00		
	Freight Income		0.67		
Nahar Poly Films Limited	Expenses Reimbursement received	2018-19	4.84	Not Required	
	Rent paid		25.72		
J L Growth Fund Ltd.	Investment Sold	2018-19	550.00	Not Required	
Vardhman Investment Limited	Investment Sold	2018-19	350.00	Not Required	
Atam Vallabh Financiers Limited	Investment Sold	2018-19	350.00	Not Required	
Vanaik Investors Limited	Investment Sold	2018-19	1800.00	Not Required	
Kovalam Investment & Trading Co. Ltd.	Investment Sold	2018-19	750.00	Not Required	
Sankheshwar Holding Co. Limited	Investment Sold	2018-19	300.00	Not Required	
Hug Foods Pvt. Ltd.	Rent Received	2018-19	1.42	Not Required	
	Purchase of Fixed Assets		3.09		
	Expenses Reimbursement received		1.87		
Mr. Kamal Oswal	Rent Received	2018-19	15.00	Not Required	
Mrs. Manisha Oswal	Remuneration Paid	2018-19	28.80	Not Required	
Mr. Abhinav Oswal	Remuneration Paid	2018-19	24.90	Not Required	

For and on behalf of the Board of Directors
sd/-

Jawahar Lal Oswal
(DIN: 00463866)
Chairman

Place : Ludhiana
Date : 14th August, 2019


Annual Report on Corporate Social Responsibility (CSR) activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and recommended the same to the Board of Director of the Company for its approval. The Board of Directors has adopted the CSR Policy as recommended by CSR Committee. Under the CSR Policy, Company will broadly focus on medical relief and research, environment protection, promotion of education, social upliftment and any other activity as envisaged in the companies Act. The details of CSR policy are available on the company's website www.ownnahar.com.
2. Composition of CSR Committee
Sh. Kamal Oswal, Chairman
Sh. Dinesh Gogna, Member
Dr. Suresh Kumar Singla, Member
3. Average net profit of the Company for last three financial years:
₹ 5512.55 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):
₹ 110.25 Lacs
5. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year: ₹ 27.00 Lacs
 - (b) Amount Unspent, if any: ₹ 83.25 Lacs*
 - (c) Manner in which the amount spent during the financial year is detailed below:

SR. No.	CSR Project/ Activity	Sector	Location of the Project	Amount Outlay (budget) Project or Program wise the	Amount spent on Project or Programs. Sub Heads: 1. Direct Expenditure Projects or programe 2. Overheads	Cumulative Expenditure up to the on Reporting period.	Amount Spent: Direct or through Implementing Agency
1	2	3	4	5	6	7	8
1.	ISSF World Cup held by the National Rifle Association of India	Sports	New Delhi	₹ 25 Lacs	Direct	₹ 25 Lacs	Direct
2.	Contribution to CRPF personnel on CRPF vehicle which was blown up in Jammu & Kashmir	Other	Ghalauti, Distt. Moga (Punjab)	₹ 2 Lacs	Direct	₹ 2 Lacs	Direct

Details of Implementing Agency: N.A.

6. Reason for not spending the amount:
The Company had decided to carry out its CSR activities through a consortium formed by group companies for the purpose of undertaking its CSR obligations and carrying out its CSR programmes/ projects along with Group Companies under one umbrella through Oswal Foundation (OSF). The said organization had done various activities under CSR. The company is working pro-actively with the OSF to identify new projects for fulfilling its CSR obligations. In August, 2019 the company has issued a Cheque in favour of Oswal Foundation amounting to ₹83.25 lacs towards CSR obligations of FY 2018-19.
7. The Chairman of the Corporate Social Responsibility (CSR) Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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



Form No. MR-3

ANNEXURE - D

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st MARCH, 2019**

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

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

has issued 6720000-5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares @ ₹100/- each on 27.03.2019 and the same are not listed at any Stock Exchange as per terms of issue.)

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1st April, 2018 to 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Nahar Industrial Enterprises Ltd ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Company**

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable as the Company has not issued any shares/ options to directors/ employees under the said guidelines/ regulations during the year under review)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued Debt Securities during the Audit Period under review)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period as there was no event in this regard)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review)**

VI. Textiles (Development and Regulation) Order, 2001

VII. Foods Safety and Standards Act, 2006

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

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

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

**2. I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices are given to all directors to schedule the Board Meetings and agenda, detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For P S Bathla & Associates

Parminder Singh Bathla

Company Secretary

FCS No. 4391

C.P. No. 2585

Place: Ludhiana

Date : 14th August, 2019

SCO-6, Feroze Gandhi Market,

Ludhiana-141001

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.

To

The Members,

Nahar Industrial Enterprises Ltd.

Focal Point, Ludhiana-141010, Punjab

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

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

For P S Bathla & Associates

Parminder Singh Bathla

Company Secretary

FCS No. 4391

C.P.No. 2585

Place: Ludhiana

Date : 14th August, 2019

SCO-6, Feroze Gandhi Market,

Ludhiana-141001

'Annexure A'



ANNEXURE - E

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1), (2) and (3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 is as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2018-19 (₹ in lacs)	% increase in Remuneration in the Financial year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1.	Sh. Jawahar Lal Oswal (Chairman)	*0.60	50.00	0.46
2.	Sh. Kamal Oswal (Managing Director)	261.56	0	201.68
3.	Sh. Dinesh Oswal (Director)	*0.70	75.00	0.53
4.	Sh. Dinesh Gogna (Director)	*0.70	75.00	0.53
5.	Sh. Navdeep Sharma (Director)	*0.70	75.00	0.53
6.	Dr. (Mrs) Harbhajan Kaur Bal (Director)	*0.70	75.00	0.53
7.	Dr. Amrik Singh Sohi (Director)	*0.30	50.00	0.23
8.	Sh. Ajit Singh Chatha (Director)	*0.50	25.00	0.38
9.	Dr. Vijay Asdhir (Director)	*0.70	75.00	0.53
10.	Dr. Suresh Kumar Singla (Director)	*0.50	150.00	0.38
11.	Sh. Bharat Bhushan Gupta (Chief Financial Officer)	19.43	2.87	14.96
12.	Sh. Mukesh Sood (Company Secretary)	18.70	5.03	14.40

*Sitting Fee paid for attending the Board Meetings.

- (ii) In the financial year 2018-19, there was an increase of 0.06% in the median remuneration of employees.
- (iii) There were 10244 permanent employees on the rolls of Company as on 31st March, 2019.
- (iv) Average percentage increase made in the salaries of employees other than the Key Managerial Personnel in the last financial year i.e. 2018-19 was 7.59% whereas the increase in the Key Managerial remuneration for the same financial year was 0.48%.

- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

- (vi) Name of the top 10 employees in terms of remuneration drawn has been given hereunder:-

Sr. No.	Name & Designation	Gross Remuneration (Rs. in Lakhs)	Nature of employment	Qualification & Experience	Date of commencement of employment	Age (in Years)	Last employment held
1.	Sh. Kamal Oswal* Managing Director	261.56	Contractual 35 years	B. Com	01.02.1998	57	Nahar International Ltd.
2.	Sh. Vinay Srivastav@ General Manager	32.17	Regular	Diploma in Textiles 24 years	18.05.2017	42	LNJ Group
3.	Sh. Ved Ratna Sinha, Sr. General Manager	29.19	Regular	B.E. (Mech.) 23 years	19.07.2016	46	Khanna Paper Mills
4.	Mrs. Manisha Oswal** President	28.80	Regular	Graduate 7 years	01.04.2012	54	-----
5.	Sh. Nitin Khindria, Vice President	25.04	Regular	B.A. & PGDPR 20 years	22.09.2017	41	International Tractors
6.	Sh. Abhinav Oswal*** Manager	24.90	Regular	B.B.A. 3 years	18.07.2016	25	-----
7.	Sh. Harish Pahwa# General Manager	21.80	Regular	B.A. 45 years	01.04.1997	66	Oswal Vanaspati
8.	Sh. D. K. Sharma, Asstt. Vice President	21.16	Regular	Diploma in Mech. Engg. 35 years	23.01.1999	56	Calcom Vision Ltd.
9.	Sh. Sunil Bansal, General Manager	20.38	Regular	B Tech 33 years	02.04.2012	55	Nile Suez & Wev Sadat City (Egypt)
10.	Sh. Bharat Bhushan Gupta Chief Financial Officer	19.43	Regular	C.A. 41 years	20.11.1979	62	-----

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

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

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

@ Employed for the part of the year 2018-19

Employees who have left the organization in the financial year 2019-20.

None of these employees is holding Equity Shares in the Company within the meaning of Rule 5(2)(iii) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.



Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Account) Rules, 2014

A) CONSERVATION OF ENERGY:

- a) Measures taken for conversation of energy
 - i) Use of high efficiency motors and energy saving devices.
 - ii) Technical Up-gradation and modernization of various machines.
 - iii) Organized training programme on different aspect of energy conservation.
 - iv) Company has installed Biomass / multifuel Co-generation power plants at Lalru & Amloh, Punjab which enable the company to produce electricity at lower rate.
 - v) Re-arrangement of distribution system to avoid system load.
- b) Impact of measures consequent to (a) above: The above mentioned measures have resulted in energy saving and subsequent reduction in energy cost and thereby reduction in cost of production.

B) TECHNOLOGY ABSORPTION:

- i) Efforts in brief made towards Technology Absorption, adoption and innovation: All efforts being made to adopt the technology. The Company has a team of well qualified and experienced Engineers who are committed to absorbing and adapting latest technology.
- ii) Benefits derived as a result of above efforts: Due to adoption of latest technology there has been improvement in quality.
- iii) Information regarding technology imported during the last five years : Nil
- iv) Expenditure on R & D

(₹ In lacs)

	Current Year	Previous Year
a) Capital	95.10	123.85
b) Recurring	29.93	39.08
Total	<u>125.03</u>	<u>162.93</u>

C) FOREIGN EXCHANGE EARNINGS & OUTGO:

(₹ In lacs)

	Current Year	Previous Year
i) Total foreign exchange earnings and outgo:		
Earnings (FOB Value of Exports etc.)	30145.23	16300.07
Outgo (CIF Value of Imports, expenditure in foreign currency and other payments)	4739.93	14260.68

For and on behalf of the Board of Directors

Place: Ludhiana
Date: 14th August, 2019

Jawahar Lal Oswal
(DIN: 00463866)
Chairman



CORPORATE GOVERNANCE REPORT

ANNEXURE- G

1. Company's Philosophy on Corporate Governance

It is Nahar Industrial Enterprises Ltd.'s (NIEL) firm belief that good corporate governance provides a basis by which the right & responsibilities amongst different participants in the organization are transparently known. It helps to ensure that the Company's objectives are well defined and performance against those objectives are adequately measured and monitored. Your company is committed to conduct business in accordance with the highest ethical standards which emerges from the application of the best management practices and compliance with the laws. Thus, we have adopted various codes and policies as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Some of these codes and policies are:

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

2. Board of Directors

A. Information relating to Directors

- As on 31st March, 2019 the Board of NIEL consists of ten directors. The Board has an optimum combination of Executive, Non Executive and Independent Directors. Sh Jawahar Lal Oswal is non-executive chairman and the composition of the Board is in conformity with the Listing Regulations.
- The Board met 7 (seven) times during the period April, 2018 to March, 2019 on - 30.05.2018, 14.08.2018, 14.11.2018, 15.01.2019, 14.02.2019, 15.03.2019 & 27.03.2019 with a clearly defined agenda. The maximum time gap between two board meetings was less than 120 days.
- The details relating to composition and categories of directors on the Board, their attendance at the Board Meeting during the year and at the last Annual General Meeting, Number of Directorship, Committee Membership and Chairpersonship (in Audit Committee & Stakeholder Relationship Committee) held by them in other public limited companies including listed companies incorporated in India, as on 31.03.2019 are presented hereunder:

Name of Directors	Category of Director	Name of the Listed Companies in which also holds Directorship	Attendance Particulars		Directorship held in other Public Ltd. Companies/Committee Membership and Chairmanship/Chairpersonship		
			No. of Board Meetings Attended	Last AGM attended	Directorship	Committee Membership	Committee Chairmanship/Chairpersonship
Sh. Jawahar Lal Oswal# (00463866)	Promoter Non Executive Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited Monte Carlo Fashions Limited	6	No	9	--	--
Sh. Kamal Oswal# (00493213)	Promoter Executive Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited Oswal Leasing Limited	7	No	9	1	--
Sh. Dinesh Oswal# (00607290)	Promoter Non Executive Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited	7	Yes	9	--	--
Sh. Dinesh Gogna (00498670)	Non Executive Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited Oswal Leasing Limited Monte Carlo Fashions Limited	7	Yes	9	5	2
Sh. Navdeep Sharma (00454285)	Non Executive Director	Nahar Industrial Enterprises Limited Oswal Leasing Limited Kovalam Investment and Trading Company Limited	7	Yes	9	4	1
Dr. (Mrs.) Harbhajan Kaur Bal (00008576)	Independent Director	Nahar Industrial Enterprises Limited Sporting India Limited	7	No	1	2	--
Dr. Amrik Singh Sohi (03575022)	Independent Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited Monte Carlo Fashions Limited	3	Yes	4	3	1
Sh. Ajit Singh Chatha (02289613)	Independent Director	Nahar Industrial Enterprises Limited Monte Carlo Fashions Limited	5	No	4	2	--



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		Indian Acrylics Limited J Kumar Infraprojects Limited					
Dr. Vijay Asdhir (06671174)	Independent Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited	7	Yes	3	1	2
Dr. Suresh Kumar Singla (00403423)	Independent Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited Monte Carlo Fashions Limited	5	Yes	5	3	3

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

B. Shareholding of Non Executive Directors

Sr. No.	Name of the Directors	No. of Shares held
1.	Sh. Dinesh Oswal	30
2.	Sh. Dinesh Gogna	105
3.	Sh. Navdeep Sharma	1

C. Details of Familiarisation Programme for Independent Directors

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

D. Performance Evaluation

Pursuant to the provisions of Companies Act, 2013 and Listing Regulations, the Company has devised a policy for evaluation of Independent Directors, Board, its committees and other directors as per the criteria laid down thereunder. The performance evaluation of the Independent Directors was carried out by the Board excluding the director being evaluated and that of the Chairman and of the Non-independent Directors was carried out by the Independent Directors. The evaluation was carried out through a structured evaluation process i.e. Knowledge to perform the role; Time and level of participation; Performance of duties and level of oversight; and Professional conduct and independence. The Board was satisfied with the evaluation process.

E. Remuneration to Directors

All the non-executive directors receive sitting fee for attending the Board Meetings. Sh. Kamal Oswal, Managing Director, receives salary, allowances, perquisites as approved by the Nomination and Remuneration Committee, Board of Directors and Shareholders. There has been no materially pecuniary relationship or transaction between the Company and its Directors in the financial year under review. The details of remuneration paid to the directors for the financial year 2018-19 are given below:

(Amount In ₹)

Name of the Director	Sitting Fee	Salary Allowance & Perquisites	Performance Incentives	Commission	Total
Sh. Jawahar Lal Oswal	60000/-	Nil	Nil	Nil	60000/-
Sh. Kamal Oswal	Nil	26156040/-	Nil	Nil	26156040/-
Sh. Dinesh Oswal	70000/-	Nil	Nil	Nil	70000/-
Sh. Dinesh Gogna	70000/-	Nil	Nil	Nil	70000/-
Dr.(Mrs.) Harbhajan Kaur Bal	70000/-	Nil	Nil	Nil	70000/-
Sh. Navdeep Sharma	70000/-	Nil	Nil	Nil	70000/-
Dr. Amrik Singh Sohi	30000/-	Nil	Nil	Nil	30000/-
Sh. Ajit Singh Chatha	50000/-	Nil	Nil	Nil	50000/-
Dr. Vijay Asdhir	70000/-	Nil	Nil	Nil	70000/-
Sh. Suresh Kumar Singla	50000/-	Nil	Nil	Nil	50000/-

F. Information to the Board

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

G. Code of Conduct

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



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I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management an affirmation that they have complied with the Code of Conduct in Financial Year 2018-19.

Place: Ludhiana

Date: 14th August, 2019

Kamal Oswal

(DIN: 00493213)

Vice Chairman-cum-Managing Director

H. Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors

The following skills / expertise / competencies required in the context of Company's businesses have been identified by the Board for it to function effectively viz.: (i) Business Strategy, Planning and Corporate Management (ii) Accounting & Financial Skills (iii) Marketing (iv) Corporate Governance (v) Legal & Risk Management (vi) Discharge of Corporate Social Responsibility. These are available with the Board

I. Confirmation from the Board of Directors in context to Independent Directors:

Board of Directors have confirmed that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

J. Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

No Independent Director has resigned before expiry of his tenure.

3. Board Level Committees

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

A. Audit Committee

The Company has formed an Audit Committee of the Board of Directors of the Company. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Listing Regulations. The committee consisted of three non executive Director namely Sh. Dinesh Gogna, Dr. Vijay Asdhir and Dr. (Mrs.) Harbhajan Kaur Bal. Dr. Vijay Asdhir, an independent non executive director is the Chairman of the Committee. All committee members have requisite experience in the field of finance and are well versed in financial and accounting matters. Mr. Bharat Bhushan Gupta, Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the committee. Mr. Mukesh Sood, Company Secretary acts as Secretary to the Audit Committee. The Committee met 4 (four) times during the period April 2018 to March, 2019 i.e. 30.05.2018, 14.08.2018, 14.11.2018 & 14.02.2019 and the attendance of each member is as under:

Name of the Members	Status	Category	No. Of Meetings Held	No. Of meetings Attended
Sh. Dinesh Gogna	Member	Non-executive Director	4	4
Dr. Vijay Asdhir	Chairman	Independent	4	4
Dr. (Mrs.) Harbhajan Kaur Bal	Member	Non-executive Director Independent Non-executive Director	4	4

Terms of Reference:

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

B. Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee of the Company is as per the provisions of section 178 of the Companies Act, 2013 and Listing Regulations. The Committee consisted of three independent non executive directors namely Dr. Vijay Asdhir as Chairman, Sh. Suresh Kumar Singla and Dr. (Mrs.) Harbhajan Kaur Bal as members. The Committee met on 14.08.2018 in the Financial year 2018-19. The members were present in the meeting except Dr. Suresh Kumar Singla.

The role of Nomination and Remuneration Committee is:

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

C. Stakeholders Relationship Committee

The composition of Stakeholders Relationship Committee of the Company is as per the provisions of section 178 of the Companies Act, 2013 and Listing Regulations. The Committee reviews redressal of shareholders and investors complaints like non receipt of dividend on shares, non receipt of shares whether in demat or physical form, non receipt of annual report etc., besides complaints received from SEBI, Stock Exchanges, Court and various investor forums. The Committee also oversees the performance of Registrar and Transfer Agent. The Stakeholder's Relationship Committee consisted of directors namely Sh. Kamal Oswal, Sh. Dinesh Gogna, Dr. Vijay Asdhir and Sh. Suresh Kumar Singla. Mr. Mukesh Sood, Company Secretary is the compliance officer of the Company. The Committee met 4 (four) times during the period April 2018 to March, 2019 i.e. 30.05.2018, 14.08.2018, 14.11.2018 & 14.02.2019 in the financial year 2018-19 and the attendance of each member is as under:



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Name of the Members	Status	No. Of Meetings Held	No. Of Meetings Attended
Sh. Kamal Oswal	Member	4	4
Sh. Dinesh Gogna	Chairman	4	4
Dr. Vijay Asdhir	Member	4	4
Sh. Suresh Kumar Singla	Member	2	2

Status of shareholders Queries/Grievances

	Pending at the beginning of the year	Received and redressed during the year	Pending at the end of the year
Status of Shareholder's queries/grievance	Nil	90	Nil

D. CSR Committee

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

4. General Body Meeting

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

Financial Year	Location	Date	Time	No. Of Special Resolutions
2015-16	Registered Office	30.09.2016	10.00 A.M.	1
2016-17	Registered Office	29.09.2017	10.00 A.M.	4
2017-18	Registered Office	28.09.2018	10.00 A.M.	4

5. Postal Ballot

During the year, notice dated 15.01.2019 was given to the shareholders of the Company pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 to seek their approval by way of Postal Ballot and/or remote voting in respect of resolutions contained in Special Business given therein. The Board of Directors had appointed M/s P.S. Bathla & Associates, Practising Company Secretaries, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The result of the Postal Ballots was declared on 09.03.2019 at the Registered Office of the Company and was placed, alongwith the scrutinizer report, on the Company's website at www.ownnahar.com besides communicated to the BSE Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed. The result of Postal Ballot is as under:

A. Ordinary Resolution passed for alteration and increase of the existing Authorised Share Capital of the Company

Promoter/Public	No. of Shares held	No. of Shares polled	% of Votes polled on outstanding shares	No. of votes-In - favour	No. of votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
	1	2	3=(2/1*100)	4	5	6(4/2*100)	7(5/2*100)
Promoter and Promoter Group	27385037	27234137	99.45	27234137	0	100.00	0
Public-Institutional Holding	183105	0	0	0	0	0	0
Public-Other	12266999	113711	0.93	29347	84364	25.81	74.19
Total	39835141	27347848	68.65	27263484	84364	99.69	0.31

B. Special Resolution passed to change Article No. 4 of the Articles of Association of the Company

Promoter/Public	No. of Shares held	No. of Shares polled	% of Votes polled on outstanding shares	No. of votes-In - favour	No. of votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
	1	2	3=(2/1*100)	4	5	6(4/2*100)	7(5/2*100)
Promoter and Promoter Group	27385037	27234137	99.45	27234137	0	100.00	0
Public-Institutional Holding	183105	0	0	0	0	0	0
Public-Other	12266999	113711	0.93	29592	84119	26.02	73.98
Total	39835141	27347848	68.65	27263729	84119	99.69	0.31

C. Special Resolution passed to insert a new clause No. 170A in the Articles of Association of the Company

Promoter/Public	No. of Shares held	No. of Shares polled	% of Votes polled on outstanding shares	No. of votes-In - favour	No. of votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
	1	2	3=(2/1*100)	4	5	6(4/2*100)	7(5/2*100)
Promoter and Promoter Group	27385037	27234137	99.45	27234137	0	100.00	0
Public-Institutional Holding	183105	0	0	0	0	0	0
Public-Other	12266999	113711	0.93	29592	84119	26.02	73.98
Total	39835141	27347848	68.65	27263729	84119	99.69	0.31



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D Special Resolution passed to issue and offer Non-Convertible Non Cumulative Redeemable Preference Shares on a Preferential basis

Promoter/Public	No. of Shares held	No. of Shares polled	% of Votes polled on outstanding shares	No. of votes-In - favour	No. of votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
	1	2	3=(2/1*100)	4	5	6(4/2*100)	7(5/2*100)
Promoter and Promoter Group	27385037	27234137	99.45	27234137	0	100.00	0
Public-Institutional Holder	183105	0	0	0	0	0	0
Public-Other	12266999	113711	0.93	28655	85056	25.20	74.80
Total	39835141	27347848	68.65	27262792	85056	99.69	0.31

6. Means of Communication

The Company's quarterly results and annual results are approved and taken on record by the Board within the prescribed time and sent immediately to BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). These results are published in leading newspapers i.e. Financial Express (English) and Desh Sewak (Punjabi). These results are also posted on the Company's website at: www.ownahar.com. The shareholding pattern and all other corporate communication are intimated to stock exchanges, well in time. The information is also filed electronically with NSE through NEAPS Portal and BSE electronic listing portal. A separate dedicated section under the tab "Investor Relations" has been created at the Company's website which gives the information on compliance with the stock exchanges and other relevant information of interest to the investors/ public. Various Policies & Codes as required to be posted at the Company's website as per the requirements of applicable laws are available under the section of "Policies and Codes".

7. General Shareholder's Information

- Annual General Meeting
Day, Date, Time and Venue
Monday, 30th day of September, 2019 at 10.00 A.M. at the Registered Office at Focal Point, Ludhiana - 141010 (Punjab)
- Financial Year
April to March
Financial Results for the financial year 2019-20 will be announced tentatively in
July-August, 2019
October-November, 2019
January-February, 2020
April-May 2020
First Quarter Results
Second Quarter Results
Third Quarter Results
Fourth quarter & Annual audited results.
- Book Closure
24.09.2019 to 30.09.2019 (both days inclusive).
- Dividend
The Board of Directors has not recommended any dividend for the financial year ended 31.03.2019.

Unclaimed/Unpaid Dividend

The Board of Directors has not recommended any dividend for the financial year ended 31.03.2019. The Company had paid dividend @ 10% on equity shares of the Company for the financial year 2012-13, 2013-14, 2015-16 & 2016-17. Members who have not claimed the dividend for the aforesaid period may approach to the Share Department of the Company.

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

No Unpaid/unclaimed dividend is due to transfer to the Investor Education and Protection Fund in the year 2019-20.

Details of Unpaid/Unclaimed dividend:

Financial Year	Due date for transfer to IEPF
2012-13	05.11.2020
2013-14	31.10.2021
2015-16	05.11.2023
2016-17	02.11.2024

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

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education Protection Authority (IEPFA). During the Financial Year 2018-19 the Company has transmitted 139490 equity shares to IEPF Account on which dividend remain unclaimed for seven consecutive years.

Upon transmission of such shares, all benefits (like bonus shares etc.) if any, accruing on such shares shall also be credited to such Demat account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The list of members whose shares have been transmitted to IEPF Authority is displayed on the website of the Company at weblink : http://www.ownahar.com/nahar_ie/transfer-of-equity-shares.php

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



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- v Listing on Stock Exchange The equity shares of the Company are listed at:
 1. BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street ,Mumbai- 400001.
 2. National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex,Bandra (E) Mumbai - 400 051
- vi. Stock Code Annual Listing Fees for the financial year 2019-20 has already paid to both the stock exchanges.
 BSE - **519136**, NSE - **NAHARINDUS**, ISIN- **INE289A01011**

vii. Distribution of Shareholding as on 31.03.2019

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate Shares held	% of Shareholding
1-500	52276	96.03	4026903	10.11
501-1000	1188	2.18	898570	2.26
1001-2000	473	0.87	709116	1.78
2001-3000	159	0.29	402679	1.01
3001-4000	62	0.11	222147	0.56
4001-5000	55	0.10	252929	0.63
5001-10000	96	0.18	692629	1.74
10001 & above	130	0.24	32630168	81.91
Total	54439	100.00	39835141	100.00

viii. Shareholding Pattern as on 31.03.2019

Shares held by	No. of Shares	% of shareholding
Promoters	27385037	68.75
Mutual Funds & UTI	13273	0.03
Bank & Financial Institutions	369	0.00
Insurance Companies	169463	0.43
Foreign Holding (NRIs)	259149	0.65
Private Bodies Corporate (Others)	668656	1.68
IEPF Authority	1300364	3.26
Indian Public	10038830	25.20
Total	39835141	100.00

ix. Dematerialisation of Shares

As on 31.03.2019, 94.92% of equity share capital is held in dematerialized form under ISIN-INE289A01011.

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

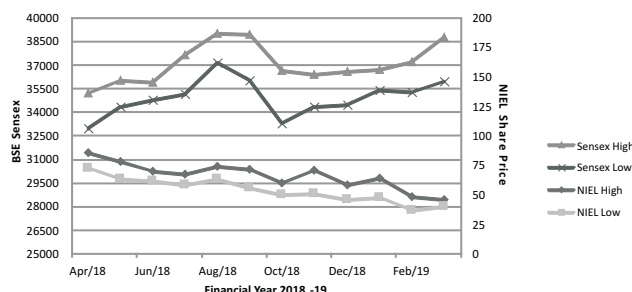
The Company has not issued any GDRs/ADRs/Warrants during the year.

xi. Stock Market Data :

Month	BSE		NSE	
	High	Low	High	Low
Apr-18	85.75	72.55	85.50	72.00
May-18	77.60	63.40	78.00	63.05
Jun-18	70.00	61.70	72.00	60.05
Jul-18	67.50	58.00	67.00	60.15
Aug-18	73.70	63.05	73.90	63.40
Sep-18	71.35	55.30	71.90	58.65
Oct-18	59.35	50.00	58.90	48.75
Nov-18	70.55	50.40	70.50	51.15
Dec-18	58.00	46.05	60.00	48.50
Jan-19	63.95	47.00	63.65	46.50
Feb-19	48.40	36.15	49.50	36.20
Mar-19	46.00	40.20	45.50	40.00

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

xii. Stock Performance vis-à-vis Index



**xiii. Investor Correspondence**

Investor correspondence should be addressed to:

Share Transfer Agent

Alankit Assignments Ltd.

Alankit Heights, 1E/13, Jhandewalan Extension,
New Delhi 110055

Phone: 011-4254 1234

Fax No.: 011-4254 1201, 23552001

E-mail: rta@alankit.com

Company Secretary

Nahar Industrial Enterprises Ltd.

Regd. Office: Focal Point, Ludhiana-141010

Phone : 0161-2672590-591

Fax No.: 0161-2674072

Email : msood@owmnahar.com

share@owmnahar.comx

iv. Share Transfer System

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

xv. Nomination

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

xvi. Service of Documents through electronic mode

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

xvii. Plant Locations

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

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

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

Purpose of the Policy

The purpose of the policy is to

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

**Appointment Policy**

The Company recognizes the benefits of having a diverse Board as an essential element in maintaining a competitive advantage in the business in which it operates. In this process the Nomination and Remuneration Committee/ Board will take into consideration person of eminence, standing and knowledge with significant achievements in business, professions or public service; their financial or business literacy; other appropriate qualification or experience to meet the objectives of the Company; and as per the provisions of the Companies Act, 2013, rules made thereunder and the Listing Regulations.

Directors including independent director shall be a person, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; perform his duties and responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices. An Independent director should meet the requirements of the Companies Act, 2013 and Listing Regulations concerning independence of directors.

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

Remuneration Policy

The remuneration package of the Company ensures that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- ii. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. the balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Board on the recommendation of the Committee reviews and approve the remuneration payable to the Managing Director/ Whole-time Director and Key Managerial Personnel. The Board and the Committee considers the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Managing Director/ Whole-time Director and Key Managerial Personnel.

The Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing/ Whole-time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

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

Review And Amendment

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

ii. Accounting Treatment in Preparation of Financial Statements

The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2016 and accordingly, the financial statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and the other accounting principles generally accepted in India. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

iii. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Listing Regulations during the financial year were in the ordinary course of business and are at arm's length basis. These transactions were



entered into as per the Company's Policy on Related Party Transactions. The company's policy on Related Party Transactions is available at the company's weblink at www.ownahar.com/nahar_ie/pdf/RPT_Policy.pdf. As required by the Indian Accounting Standard (Ind As) the details of related party transactions are given in Note No. 40 of the notes to Financial Statement.

iv. Details of non compliance by the Company

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

v. Whistle Blower Policy/ Vigil Mechanism

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

vi. Policy to Determine Material Subsidiary

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

vii. Compliance with Corporate Governance

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

viii. Certificate from Practicing Company Secretary:

The Company has obtained a certificate from P S Bathla, Practicing Company Secretary, Membership no. FCS 4391 and CP No. 2585, that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

ix. Disclosure In Relation Of Sexual Harassment Of Women At Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The details of complaints are as under:

No. of complaints filed during the financial year	: Nil
No. of complaints disposed off during the financial year	: Nil
No. of complaint pending as on end of the financial year	: Nil

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

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

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

For and on behalf of the Board of Directors

Jawahar Lal Oswal
(DIN: 00463866)
Chairman

Place : Ludhiana
Dated : 14th August, 2019

**CEO/CFO CERTIFICATION**

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we have certified to the Board that for the financial year ended 31st March, 2019 the Company has complied with the requirements stated thereunder.

For Nahar Industrial Enterprises Limited

Place : Ludhiana
Dated: 30.05.2019

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

Bharat Bhushan Gupta
Chief Financial Officer

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

To,
The Members of
Nahar Industrial Enterprises Limited

We have examined the compliance of regulations of Corporate Governance by Nahar Industrial Enterprises Limited ("the Company") for the year ended on 31st March 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Managements' Responsibility

The Compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in para C and D of Schedule V of the above mentioned Regulations.

Other matters and Restrictions on Use

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

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

Place : Ludhiana
Dated : 14th August, 2019

(KANIKA)
PARTNER
M. No. : 539337



Management Discussion and Analysis Report 2019

Overview of the economy

In the starting of FY2018-19, it was estimated that Global economy would grow by 4% growth. This rate of development gradually declined to 3.6 %. (Source: world economic outlook by International Monetary Fund). In the past couple of years the world is witnessing increasingly harsh protectionist measures by means of higher tariffs, trade barriers, etc. This compounded by the US China trade dispute, uncertainty surrounding Brexit and slowdown in China & Europe have contributed to the lowest global trade volumes. The Indian economy has also been affected, the private consumption, the main stay of aggregate demand and economic activity continues to remain sluggish. India's GDP is expected to close the year 2018-19 with a growth rate of 6.8% (source : business today).

Industry Structure/ Development (Textiles)

Indian textile and clothing industry (Textile industry) is one of the oldest industries in Indian economy. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. The textile and apparel industry is one of the leading segments of Indian economy and one of the key sources of foreign exchange earnings. India is the world's second-largest textile manufacturer after China. It has a large raw material base and capable of producing a wide variety of textiles and end products. This industry contributes to 7% of industrial output in value terms, 2% of India's GDP and 15% of the country's export earnings with over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country. (Source Annual Report 2017-18, Ministry of Textiles, Government of India)

During the year under review, the textile industry remained fragile and the macro environment surrounding the textile business continues to be challenged by various factors like increased costs of raw material, stressed working capital cycles and over production capacities. On the exports front, Indian Textile industry seems to be losing out against Bangladesh and Vietnam in terms of the cost competitiveness. However to further strengthen the textile sector in the country various incentives and schemes were rolled out by the Government of India from time to time. The Government of India has taken several measures which includes:-

- The Amended Technology Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore by 2022.
- The Government of India has approved a skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore from 2017-18 to 2019-20.
- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile

Technologies to Help Small Industries) for reviving the power loom sector of India.

- In March 2019, the Central government approved a scheme to rebate State and Central Embedded Taxes for apparels and made-ups exports.
- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create more job opportunity and attract investments during 2018-2020. (Source: IBEF, care ratings and Business Standard)

Management perception of Risk/Concern/Threat/

Indian textile industry is mainly dominated by cotton and accounting for nearly 3/4th of the total fibre consumption in the country. Cotton is the primary raw material for the textile industry. Availability of raw cotton at the reasonable prices is crucial for the textile industry; any significant change in the raw cotton prices can affect the performance of the industry. Cotton is largely dependent on Monsoon as approximately 62% of India's cotton is produced on rain fed area and 38% on irrigated land.

Global 2018/19 cotton production is expected lower by 4.2 percent from the previous year to 118.5 million bales, as many major cotton producing countries, except Brazil and China, witnessed decreases. India's 2018/19 production is estimated at 27 million bales, down 6.9 percent from the preceding year on lower area and yield. As a result, India's crop dropped below China's for the first time in five years. Harvested area is estimated at 12.3 million hectares, marginally down 1.6 percent from 2017/18 as below-average monsoon rainfall and pink bollworm infestation truncated harvesting. India's 2018/19 yield is estimated at 480 kg/hectare, down 5.3 percent from the previous season with deficient rainfall and pest infestation in the major cotton producing areas of Gujarat and Maharashtra. (Source Cotton outlook www.usda.gov/oce/forum).

Due to reduced supply of cotton the cotton price remained firm in India in the current year as compared to other Cotton producing countries. In fact for most of the season, Indian Cotton price traded well above the new MSP level, announced by Government of India based on the recommendation by Commission for Agricultural Costs & Prices (CACP). International Cotton prices remained volatile throughout the Year mainly influenced by trade related developments between US and China. Such global volatility also imparted volatility to the Cotton prices in India. Due to the stressed liquidity and weak demand in the domestic and Export markets, it is difficult to pass on the cost to end customers; hence the margins are under pressure. Further, globally consumer shifting preference from cotton fibre to manmade fibre, which is available at lower prices, is also putting pressure on prices.

The advanced economies whimsical move most importantly the growing protectionism policy which holds out the risk of a global trade war. The mounting trade tension between two largest economies of the world i.e. USA and China is posing a risk of slow down.



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

The risk of inflation, increasing prices of raw material, rising labour cost, high transport cost, rising International oil prices, higher current account deficit, declining exports, rising imports, and rupee weakening are other key challenges faced by the Indian textile industry. While both a weak and a strong rupee have advantages and disadvantages, minimum volatility in currencies is good both for industry and economy.

Opportunities & Outlook

Growth in the textile sector largely depends on consumer spending and multiple factors are affecting consumer spending like actual and perceived economic condition, disposable income, employment and consumer credit availability. The rural economy is likely to see an improvement in view of the various proposals contained in the Union Budget 2018-19. Once rural economy starts growing it will be beneficial for industry at large.

Global Textile and Apparel Trade has grown at a CAGR of 3.6 % since 2005 to reach US \$ 764 billion in 2017. Apparel share in the trade was 58% followed by fabrics with 19 % share in total trade. Indian domestic textile and apparel market is estimated to be US \$ 100 billion (2018-19) which is expected to grow to US \$ 220 billion by 2025 at ACAGR of 12%. (source wazir advisors annual report on Indian Textile & Apparel Industry).

China, the world's largest apparel manufacturer and exporter, continued to shed market share in the global trade but India was not able to capitalise on the opportunity. Instead, a large chunk was garnered by Bangladesh and Vietnam. The developed countries have acknowledged that it is not viable for them a thriving textile industry because of high cost of labour and skilled manpower. These countries are looking at India as suitable and reliable choice for their requirements. This shift is expected to happen in the long run which is providing new place of opportunities as per the theory of 'expected vacating places', to make India a dependable source of supply of textile products for the world. Consequently, Indian textile industry has opportunity to promote exports. Even though apparel industry is dominated by developed markets of EU and the US presently account for 41% of the global apparel market, the emerging markets led by countries such as India and China are becoming consumption markets. Simultaneously India and the China have strong textile manufacturing base and thus are emerging as both sourcing and consuming nation.

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 the government pursuing liquidity creation, growth, employment and consequently consumption, hopefully addressing the few remaining issues of GST for the industry, and also considering appropriate measures to compensate fully for the tax incidence on the industry, the situation should improve going forward.

The Government initiative for structural reforms; implementation of GST, growing resolution of problems associated with non-performing assets, FDI liberalization,

bank recapitalization etc. and continuing efforts for ease of doing business-much has been done but a lot more needs to be done. RBI's efforts on controlling inflation are continuing. Though RBI has taken some remedial measures in this regard but still a lot more is required so that the textile Industry could meet the challenges ahead.

The Textile industry is passing through a difficult phase of uncertainties. The demand for textile products has fallen because of global slowdown in the economy. The high cotton prices coupled with lower global demand are affecting the fortunes of the textile industry. Spinning mills have already cut down their production even some mills have closed their operations because of prevailing adverse scenario. Uncertainties prevailing and future are still not clear. With the right Government policies, we believe that the Indian Textile industry is well poised to benefit from the large opportunities offered in the domestic and export market. The textile sector has perfect alignment with Government's key initiatives of Make in India, Skill India, and Rural Youth Employment.

Once demand for textile products recover and sustain it will boost the economy and industry. India's consumption growth story, driven by favourable demographic trends and rising income level, is still intact and will further improve the fortunes of the industry. For India though the long term prospects for continued growth remain there, actual pace will depend on revival in private sector investment; long term players would need to continue to incur investment to both sharpen competitiveness, reduce costs, as well as expansion/modernization to capture the potential of evolving demand. The Government must support the industry to retain its competitive edge. Industry expects Fiscal stimulus from Government of India to boost the economy.

Industry structure/Development (sugar)

The Indian sugar industry is the second largest agro-based industry in India. The Indian sugar industry has played pivotal role in the socio-economic development of rural India. It supports over 50 million farmers and their families. The Indian sugar industry is highly fragmented by the co-existence of private, co-operative and public sector. The crushing period in India varies from region to region beginning in Oct/Nov and goes on till March/April except in southern states where it continues till July/Aug depending upon the availability of sugar cane. Sugar industry was under severe crisis owing to higher production of sugar in sugar season 2017-18 and anticipated higher production in sugar season 2018-19. As a result of back to back higher production in two years, the sugar prices tumbled to a lower level. The Central Government took some measures to arrest the downfall in sugar prices i.e.

- Announced the Minimum Selling Price (MSP) of sugar at ₹ 29 per kilogram in June 2018 below which no sugar mills can sell sugar in India. This was raised to ₹ 31 per kg in Feb 2019.
- Notified the 'Scheme for creation and maintenance of Buffer Stock' of 30 lakh tonnes of sugar for a period of one year from 1st July'18. Interest cost, insurance and storage costs on buffer stock are reimbursed by Govt. Sugar Mills are eligible to get reimbursement @10.50 % p.a on value of buffer stock maintained.



- Notified the Scheme of Minimum Indicative Export Quota of 50 lakh tonnes for the sugar season 2018-19. In Oct'18 announced financial assistance of ₹ 13.88/ qtl of cane crushed during SS 2018-19 subject to fulfillment of conditions.
- Notified 'the Scheme for Extending Soft Loan to Sugar Mills' for SS 2018-19 in March 2019, covering 40 lakh MT of sugar stock. Sugar mills are eligible for this for 10.55% of SS 2017-18 sugar production with interest subvention support upto 7% for one year.

Management perception of Risk/Concern/Threat

In view of fragmented capacity and high input costs, Indian sugar industry suffers un competitiveness in the world market. As a result, sugar exports often times have to rely largely on the crutches of Government support measures. The mismatch between sugar and sugarcane prices in the absence of Price Stabilization Fund advocated by CACP creates periodical pressures, more particularly during industry downturn. Sugar industry is more vulnerable to government policies being regulated by the Central and state Governments that influence the cost of production.

Indian Sugar Production has historically been cyclical in nature with 3-4 years of bumper crop usually followed by 2 years of shortfall. The shortage years helped to restore Mills and farmers financial position. Since sugarcane farming is more profitable than any other cash crop in India. However this cyclical pattern has been broken lately with Sugar production outpacing consumption for six consecutive years from 2010-11 until 2015-16. Sugarcane is largely dependent on monsoon and unavailability of groundwater used for irrigation of sugarcane is condemned as water guzzler.. The management of your company periodically reviews to identify the major business risks as applicable to the Company and works out their mitigation strategy.

Opportunities and Outlook

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

Segment wise/ Financial/Operational performance

The company operates in two segments i.e Textiles and Sugar. Please refer Director's Report on the performance review.

Highlights of the Company's Financial Performance:

(₹ in lakhs)

Particulars	Current Year	Previous Year
Revenue from operations	186616.24	176274.88
Profit/(loss) before Tax	(1752.38)	1780.81
Profit/(loss) after Tax	(2157.52)	1722.14

Ratios	Current Year	Previous Year	Change (%)
Debtor turnover ratio	7.71	9.79	21.25
inventory turnover ratio	0.35	0.46	23.91
Interest Coverage ratio	0.84	1.25	32.80
Current ratio	1.28	1.31	2.29
Debt equity ratio	0.33	0.44	25.00
Operating profit margin (%)	3.01	5.02	40.04
Net profit margin (%)	(1.16)	0.98	218.36
Return on Net Worth	(3.11)	2.47	225.91

Internal Control System and Their Adequacy

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

Material Development in Human resources/ Industrial Relation Front

The Company is of firm belief that human resources are the driving force that propels a company towards progress and success and the company is committed to the development of its people. Your company is committed towards building a safe work place with underlining safe work practice. The total permanent employee's strength was 10244 as on 31/03/2019. The industrial relations were cordial and satisfactory.

Cautionary statement

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

For and on behalf of the Board of Directors

sd/-
Jawahar Lal Oswal
Place : Ludhiana (DIN: 00463866)
Date : 14th August, 2019 Chairman



Independent Auditor's Report

**To The Members of
Nahar Industrial Enterprises Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Nahar Industrial Enterprises Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How was the matter addressed in our audit
The company was searched by the GST department on 25 th February, 2019. The company had been denied the credit of GST taken by them thus have been arbitrarily forced to reverse the entry of GST credit in their books of accounts to the extent of ₹ 600 Lacs and forced to make the payment (refer note no. 32 (i) of notes to financial statements).	For this matter our procedures included meeting with the management and discussing litigations with the Company's tax head. The company is contesting the amount of ₹ 600 Lacs and has been shown as advances recoverable. The amount has been paid under protest and final treatment of this expense would be considered as and when the matter is finally adjudicated.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information

included in the Directors Report, including annexure thereto, Report on Corporate Governance and Management Discussion & Analysis Report, but does not include the Consolidated and Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of 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, changes in equity and the cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Standalone Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud



or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act
- e. On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

We report that, the remuneration paid by the Company to its Managing Director for year ended 31st March, 2019 is in excess by ₹ 81.42 lacs viz -a-viz the limits specified in section 197 of the Companies Act, 2013 read with Schedule V thereto as the Company does not have adequate profits during the year. The Company is in the process of complying with prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders as necessary. (Refer note No. 40 of the standalone Ind AS financial statements)

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements.
 - ii. The Company do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place : Ludhiana
Dated: 30th May, 2019

Kanika
Partner
M.NO.539337



**"Annexure A" to the Independent Auditors' Report
(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)**

- i. In respect of the Company's fixed asset:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of regular intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company except for Land measuring 66.11 acres situated at village Jalalpur, chd-ambala road, Lalru district Mohali.
- ii. According to information and explanations given, the management has conducted the physical verification of inventory at reasonable intervals and no material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted loans, or given guarantees and security. So the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable. However, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made.
- v. The Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the sub section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that prima facie, the prescribed records have been maintained. We have, however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Employees' State Insurance and Value Added

Tax which have not been deposited as at 31st March, 2019 (excluding amount deposited under protest) on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (₹ In lacs)	Forum where dispute is pending
Punjab VAT Act, 2005	Sales Tax demand	20.99	DETC Appeal, Ludhiana
	Sales Tax demand	36.75	Sales Tax Tribunal, Chandigarh
The Central Excise Act, 1944	Excise Duty Demand	303.31	Commissioner Appeal, Chandigarh
	Excise Duty Demand	1.17	CESTAT Delhi
	Excise Duty Demand	47.54	Commissioner Appeals, Jaipur
Finance Act, 1994	Service Tax Demand	10.09	Dy.Commissioner, Ludhiana
	Service Tax Demand	9.27	The Supreme Court of India
	Service Tax Demand	5.88	CESTAT, Jaipur
	Service Tax Demand	27.86	Joint Commissioner, Jaipur
	Service Tax Demand	166.72	Commissioner Appeal, Chandigarh
The Income Tax Act, 1961	Income Tax	1,308.26	CIT (Appeals), Ludhiana
The Employee's State Insurance Act, 1948	ESI Demand	29.98	Civil Judge (Sr. Div.) ESI Court, Ludhiana

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and government. The company did not have any outstanding debentures during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Term Loans have been applied by the company for the purposes for which they were raised.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year..
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the remuneration paid by the Company to its Managing Director for year ended 31st March, 2019 is in excess by ₹ 81.42 lacs viz -a-viz the limits specified in section 197 of the Companies Act, 2013 read with Schedule V thereto as the Company does not have adequate profits during the year. The Company is in the process of complying with prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders as necessary. (Refer note No. 40 of the standalone Ind AS financial statements)
- xii. The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has made private placement of preference shares during the year under review.
In respect of the above issue, we further report that:
 - a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company



during the year for the purposes for which the funds were raised.

The Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year.

- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

Place : Ludhiana
Dated: 30th May 2019

Kanika
Partner
M.NO.539337

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

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

We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited ("the Company") as of 31st March, 2019 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Ludhiana
Dated: 30th May 2019

Kanika
Partner
M.NO.539337


BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Note No.	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	3	56,736.12	54,315.73
b) Capital work in progress		2,404.21	4,514.63
c) Investment Property	4	1,547.72	1,597.36
d) Other Intangible Assets	5	--	19.73
e) Financial Assets			
i) Investments	6a	8,151.99	12,716.11
ii) Loans	6b	1,326.27	1,054.38
f) Other non current assets	7	154.17	175.86
Total Non-Current Assets		70,320.48	74,393.80
Current Assets			
a) Inventories	8	65,896.10	80,288.07
b) Financial Assets			
i) Trade receivable	9a	24,196.08	18,012.24
ii) Cash and cash equivalents	9b	65.65	72.16
iii) Other bank balances	9c	108.85	128.23
iv) Loans	9d	59.02	83.60
v) Other Financial Assets	9e	2,808.65	2,437.63
c) Current Tax Assets (Net)	10	180.41	--
d) Other Current Assets	11	14,338.21	15,299.27
Total Current Assets		107,652.97	116,321.20
TOTAL ASSETS		177,973.45	190,715.00
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	4,003.42	4,003.42
b) Other Equity	13	65,386.61	65,639.29
Total Equity		69,390.03	69,642.71
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	14a	22,959.73	30,296.39
ii) Other Financial Liabilities	14b	73.17	706.28
b) Provisions	15	573.31	925.37
c) Deferred tax liabilities (net)	16	978.38	209.36
d) Other non-current liabilities	17	--	23.85
Total Non-Current Liabilities		24,584.59	32,161.25
Current Liabilities			
a) Financial Liabilities			
i) Current Borrowings	18a	51,406.82	57,486.20
ii) Trade Payables	18b	17,955.83	17,436.57
iii) Other Financial Liabilities	18c	12,640.69	11,721.62
b) Other Current Liabilities	19	1,988.71	2,132.44
c) Provisions	20	6.78	6.27
d) Current Tax Liabilities (Net)	21	--	127.94
Total Current Liabilities		83,998.83	88,911.04
TOTAL EQUITY AND LIABILITIES		177,973.45	190,715.00

The accompanying notes form an integral part of these financial statements 1 to 50

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants

FRN : 030088N

Kanika

Partner

M.No:539337

Place: Ludhiana

Dated: 30th May, 2019

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

(DIN : 00498670)

Kamal Oswal

Vice Chairman cum-

Managing Director

(DIN: 00493213)


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Note No.	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
INCOME			
Revenue from Operations	22	186,616.24	176,274.88
Other Income	23	1,258.38	610.07
Total Revenue		187,874.62	176,884.95
EXPENSES			
Cost of Materials Consumed	24	101,033.80	102,911.43
Purchases of stock-in-trade	25	8,004.63	4,766.90
Change in inventories of Finished Goods, Work-In-Progress and stock in trade	26	312.88	(5,569.55)
Excise Duty Expenses	27	--	397.76
Employee Benefit Expense	28	19,799.57	18,551.06
Finance Costs	29	6,711.84	7,073.14
Depreciation and Amortisation Expense	3,4,5	7,858.34	6,576.90
Other Exepenses	30	45,240.93	40,396.50
Total Expenses		188,961.99	175,104.14
Profit/(loss) Before Exceptional Items and Tax		(1,087.37)	1,780.81
Exceptional Items			
Foreign Exchange Hedging Loss (Net of Premium Receipts)	35	665.01	--
Profit/(loss) Before Tax		(1,752.38)	1,780.81
Tax expense	31		
(1) Current tax		--	413.00
Less :- Mat Credit Entitlement		--	(413.00)
(2) Deferred tax		405.14	58.67
Profit After Tax for the period		(2,157.52)	1,722.14
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Re-measurement gains (losses) on defined benefit plans		385.97	238.59
Income tax effect on the above		(134.87)	--
ii) Net Gain/(Loss) on FVOCI equity instruments		(484.67)	(949.71)
Income tax effect on the above		(195.08)	195.08
Total Other Comprehensive Income		(428.65)	(516.04)
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		(2,586.17)	1,206.10
Basic and diluted earnings per equity share (Face value of equity share ₹ 10 each)	38	(5.42)	4.32

The accompanying notes form an integral part of these financial statements 1 to 50

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants

FRN : 030088N

Kanika

Partner

M.No:539337

Place: Ludhiana

Dated: 30th May, 2019

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

(DIN : 00498670)

Kamal Oswal

Vice Chairman cum-

Managing Director

(DIN: 00493213)


CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	2018-19 (₹ in lacs)	2017-18 (₹ in lacs)
(A) Cash Flow from Operating Activities		
Net profit/(Loss) before Tax	(1,752.38)	1,780.81
Adjustment for:		
Depreciation	7,858.34	6,576.90
Power & fuel Exp	13.82	13.82
Other Income	(47.74)	(35.22)
Rent	6.26	6.26
Remeasurement of defined benefit plan	385.97	238.59
Sundry balances written back (Net)	(5.85)	(53.37)
Profit on sale of Property, Plant and Equipment (Net)	(399.93)	(254.35)
Profit on sale of investment	(7.85)	--
Dividend Received	(38.56)	(62.13)
Interest Income	(666.84)	(133.62)
Interest Expense	6,711.84	7,073.14
Foreign Exchange Hedging Loss (Net of Premium Receipts)	665.01	--
Operating Profit before Working Capital Changes	12,722.09	15,150.83
Adjustment for		
Trade & other receivable	(5,894.68)	(1,103.39)
Inventories	14,391.97	(15,941.81)
Trade Payables	(630.96)	7,165.48
Cash Generated from operations	20,588.42	5,271.11
Direct Taxes Paid	(274.46)	(315.52)
Net Cash from Operating Activities	20,313.96	4,955.59
(B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(8,507.96)	(8,550.88)
Sale of Property, Plant and Equipment	808.94	1,882.03
Sale of investment	4,100.00	--
Interest Received	666.84	133.62
Dividend Received	38.56	62.13
Net cash used in Investing Activities	(2,893.62)	(6,473.10)
(C) Cash Flow from Financing Activities		
Interest Expense	(6,711.84)	(7,073.14)
Foreign Exchange Hedging Loss (Net of Premium Receipts)	(665.01)	--
Dividend paid	(19.63)	(379.98)
Corporate dividend tax	--	(81.09)
Proceeds from Long Term Borrowings (Net)	(10,626.62)	(1,568.44)
Changes in Working Capital Borrowings	(6,079.38)	10,543.21
Issue of Preference Share	6,720.00	--
Preference Share Issue expenses	(63.75)	--
Net Cash used in Financing Activities	(17,446.23)	1,440.56
Net Change in Cash & Cash Equivalents (A+B+C)	(25.89)	(76.95)
Opening Cash & Cash Equivalents	200.39	277.34
Closing Cash & Cash Equivalents	174.50	200.39

Notes : 1. Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
2. Figures in brackets represent deduction
3. Refer Note no- 48, debt reconciliation as per Ind AS-7 "Statement of Cash flows".

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants

FRN : 030088N

Kanika

Partner

M.No:539337

Place: Ludhiana

Dated: 30th May, 2019

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

(DIN : 00498670)

Kamal Oswal

Vice Chairman-cum-

Managing Director

(DIN: 00493213)



Statement of Changes in Equity for the Year ended 31st March, 2019

Particulars		2018-19 (₹ in lacs)	2017-18 (₹ in lacs)						
A.	Equity Share Capital								
	Balance at the beginning of the reporting year	4,003.42	4,003.42						
	Changes in Equity Share Capital during the reporting year	--	--						
	Balance at the closing of the reporting year	<u>4,003.42</u>	<u>4,003.42</u>						
B.	Other Equity								
Reserve & Surplus									
Particulars	Securities Premium	Capital Reserve	Capital Redemption Reserve	Contingent Liability Reserve	Corporate Social Responsibility Reserve	General Reserve	Retained Earnings	Equity Component of Compound Financial Instruments (Preference Share)	Total
Balance as at 1 st April, 2017 (a)	33,454.08	9,474.86	1,925.00	754.90	--	19,308.57	--	--	64,917.41
Profit for the year	--	--	--	--	--	--	1,722.14	--	1,722.14
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--	238.59	--	238.59
Other Comprehensive Income	--	--	--	--	--	--	(754.63)	--	(754.63)
Total Comprehensive Income for the year (b)	--	--	--	--	--	--	1,206.10	--	1,206.10
Dividends (including tax thereon)	--	--	--	--	--	--	(479.44)	--	(479.44)
Transfer to Corporate social Responsibility Reserve	--	--	--	--	--	--	(73.30)	--	(73.30)
CSR Expense/Spent	--	--	--	--	(4.78)	--	--	--	(4.78)
Transfer from Retained Earning	--	--	--	--	73.30	653.36	--	--	726.66
Transfer to General Reserve	--	--	--	--	--	--	(653.36)	--	(653.36)
Total (c)	--	--	--	--	68.52	653.36	(1,206.10)	--	(484.22)
Balance as at 31 st March, 2018 (d) = (a+b+c)	33,454.08	9,474.86	1,925.00	754.90	68.52	19,961.93	--	--	65,639.29
Loss for the year	--	--	--	--	--	--	(2,157.52)	--	(2,157.52)
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--	251.10	--	251.10
Other Comprehensive Income	--	--	--	--	--	--	(679.75)	--	(679.75)
Total Comprehensive Income for the year (e)	--	--	--	--	--	--	(2,586.17)	--	(2,586.17)
CSR Expense/Spent	--	--	--	--	(95.52)	--	--	--	(95.52)
Equity Component of Preference Shares	--	--	--	--	--	--	--	2,429.01	2,429.01
Transfer to Corporate Social Responsibility Reserve	--	--	--	--	--	--	(110.25)	--	(110.25)
Transfer from Contingent Liability Reserve	--	--	--	--	--	754.90	--	--	754.90
Transfer from Capital Redemption Reserve	--	--	--	--	--	1,925.00	--	--	1,925.00
Transfer from Capital Reserve	--	--	--	--	--	9,474.86	--	--	9,474.86
Transfer from Retained Earning	--	--	--	--	110.25	(2,696.42)	--	--	(2,586.17)
Transfer to General Reserve	--	(9,474.86)	(1,925.00)	(754.90)	--	--	2,696.42	--	(9,458.34)
Total (f)	--	(9,474.86)	(1,925.00)	(754.90)	14.73	9,458.34	2,586.17	2,429.01	2,333.49
Balance as at 31 st March, 2019 (g) =(d+e+f)	33,454.08	--	--	--	83.25	29,420.27	--	2,429.01	65,386.61

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants

FRN : 030088N

Kanika

Partner

M.No:539337

Place: Ludhiana

Dated: 30th May, 2019

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

(DIN : 00498670)

Kamal Oswal

Vice Chairman-cum-

Managing Director

(DIN: 00493213)



Notes to Financial Statements for the year ended 31st March, 2019

1. Background

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

Note: 2 Significant accounting policies

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

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

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

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

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

(ii) Historical Cost Convention

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

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

(iii) Rounding of amounts

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

(b) Fair Value Measurement

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

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

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

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

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

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

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

**Notes to Financial Statements for the year ended 31st March, 2019**

value measurement as a whole:

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

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

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

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

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

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

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

(c) Current versus non-current classification

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

(d) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

(e) Investment properties

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

**Notes to Financial Statements for the year ended 31st March, 2019**

(f) Intangible assets**Computer Software**

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

(g) Impairment of Non-financial assets

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

(h) Inventories

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

(i) Borrowing costs

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

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

(j) Government Grant

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

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

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

(k) Provisions, Contingent liabilities and Contingent Assets

Provisions are 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 not recognised for future operating losses.

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

**Notes to Financial Statements for the year ended 31st March, 2019****(l) Foreign currency translation**

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

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

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

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

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

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

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

Sale of goods

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

Rendering of services

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

(ii) Export Incentives- Export incentives are recognized on post export basis.**(iii) Interest income -** Interest income from debt instruments is recognized using the effective interest rate method.**(iv) Dividend income -** Dividends are recognized 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 recognized when no Significant uncertainty exists with regard to the amount to be realised and ultimate Collection thereof .**(n) Leases**

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

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentive



Notes to Financial Statements for the year ended 31st March, 2019

received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected inflation to compensate for the lessor's expected inflationary cost increases.

(o) Income Tax

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

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

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

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

Deferred tax assets are not recognized for temporary differences between the carrying Amount an tax bases of investment in associate where is not probable that the differences will reverse in the foreseeable future and taxable profit will not available against which the temporary differences can be utilised.

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

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

(p) Cash and cash equivalents

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

(q) Trade receivables

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

(r) Financial instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

**Notes to Financial Statements for the year ended 31st March, 2019**

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

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

Fair Value through OCI:

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

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

Fair Value through Profit or Loss:

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

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

Classification and Subsequent Measurement: Financial liabilities:

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

Financial Liabilities at FVTPL:

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

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

Other Financial Liabilities:

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

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

Impairment of financial assets:

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

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

Derecognition of financial assets:

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

**Notes to Financial Statements for the year ended 31st March, 2019****s) Derivative financial instruments**

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

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

(t) Offsetting financial instruments

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

(u) Derivatives that are not designated as hedges

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

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

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

(ii) Post-employment obligations

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

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

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

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

(iii) Defined contribution plans

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

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

(w) Segment reporting

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

(x) Trade and other payables

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

**Notes to Financial Statements for the year ended 31st March, 2019****(y) Borrowings**

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

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

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

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company

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

(ii) Diluted earnings per share

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

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

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

Note: 2.1 Critical estimates and judgements

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 31
- Estimation of defined benefit obligation – Note 42
- Recognition of deferred tax assets for carried forward tax losses – Note 16

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.

Note: 2.2 Recent accounting pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits', Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

**Notes to Financial Statements for the year ended 31st March, 2019****Ind AS 116- Leases:**

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- (a) Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- (b) Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- (a) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- (b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard on its financial statements.

Appendix C to Ind AS 12, Uncertainty over income tax treatment:

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and



Notes to Financial Statements for the year ended 31st March, 2019

- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.
- The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 19, Plan amendment, curtailment or settlement:

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.

Amendments to Ind AS 23 Borrowing costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting Period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.



Notes to Financial Statements for the year ended 31st March, 2019

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2018	Additions during the year	Sale/Adjustment during the year	As at 31.03.2019	Upto 31.03.2018	Provided during the year	Adjustment/ Written Back during the year	As at 31.03.2019
Lease hold Land	123.49	--	--	123.49	30.36	1.25	--	91.88
Freehold Land	8,683.81	--	--	8,683.81	--	--	--	8,683.81
Building	33,149.37	580.42	300.51	33,429.28	16,781.90	966.07	177.65	15,858.96
Plant & Machinery	149,285.22	9,731.10	5,685.30	153,331.02	121,412.72	6,300.87	5,425.59	31,043.02
Furniture & Fixtures	955.35	20.78	13.36	962.77	738.51	57.78	9.90	176.38
Office Equipment	1,109.22	78.91	8.87	1,179.26	989.36	66.57	7.51	130.84
Vehicles	1,751.07	207.17	87.39	1,870.85	788.95	396.43	65.76	751.23
TOTAL	195,057.53	10,618.38	6,095.43	199,580.48	140,741.80	7,788.97	5,686.41	56,736.12
Previous Year	190,626.80	9,164.81	4,734.08	195,057.53	137,366.39	6,481.81	3,106.40	54,315.73

4. INVESTMENT PROPERTY

Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2018	Additions during the year	Sale/Adjustment during the year	As at 31.03.2019	Upto 31.03.2018	Provided during the year	Adjustment/ Written Back during the year	As at 31.03.2019
Freehold Land	591.70	--	--	591.70	--	--	--	591.70
Building	1,436.02	--	--	1,436.02	430.36	49.64	--	956.02
TOTAL	2,027.72	--	--	2,027.72	430.36	49.64	--	1,547.72
Previous Year	1,598.77	428.95	--	2,027.72	378.04	52.32	--	1,597.36

Amount recognised in profit and loss for investment properties :

Particulars	31st March, 2019	31st March, 2018
Rental Income	35.85	38.01
Direct operating expenses that generated rental income	49.64	52.32
Profit/(Loss) from leasing of investment properties	(13.79)	(14.31)

5. OTHER INTANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2018	Additions during the year	Sale/Adjustment during the year	As at 31.03.2019	Upto 31.03.2018	Provided during the year	Adjustment/ Written Back during the year	As at 31.03.2019
Computer Software	458.31	--	--	458.31	438.58	19.73	--	458.31
TOTAL	458.31	--	--	458.31	438.58	19.73	--	458.31
Previous Year	458.31	--	--	458.31	395.81	42.77	--	19.73


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
6.(a) Investments		
(i) Investment in Equity Instrument		
Investment in Associates (Unquoted) (Cost)		
180,000 Fully Paid Up Equity shares of ₹ 100/- each of J.L. Growth Fund Limited (Previous Year 180,000)	1,684.80	1,684.80
250,000 Fully Paid Up Equity shares of ₹ 100 each of Vardhman Investment Limited (Previous Year 250,000)	1,475.00	1,475.00
164,000 Fully Paid Up Equity shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	1,066.00	1,066.00
10,228,444 Fully Paid Up Equity shares of ₹ 10/- each of Cotton County Retail Limited (Previous Year 10,729,474)	3,793.12	3,978.92
Sub-Total	8,018.92	8,204.72
(ii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Quoted)		
Nil Fully Paid Up Equity Shares of ₹ 5/- each of Nahar Spinning Mills Limited (Previous Year 2,356,930)	--	2,038.74
Nil Fully Paid Up Equity Shares of ₹ 5/- each of Nahar Poly Films Limited (Previous Year 1,264,720)	--	673.46
Nil Fully Paid Up Equity Shares of ₹ 5/- each of Nahar Capital & Financial Services Limited (Previous Year 1,363,221)	--	1,676.77
12,555 Fully Paid Up Equity Shares of ₹ 10/- each of Pasupati Acrylon Ltd. (Previous Year 12,555)	0.94	3.00
50 Fully Paid Up Equity shares of ₹ 10/- each of Malwa Cotton Mills Limited (Previous Year 50)	0.02	—
Sub- Total	0.96	4,391.97



Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31st March, 2019 (₹ in lacs)	As at 31st March, 2018 (₹ in lacs)
(iii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Unquoted)		
30,900- Fully paid up Equity shares of ₹ 10/- each of BPL Engineering Ltd. (Previous Year 30,900)	2.80	2.80
22,500- Fully paid up Equity shares of ₹ 10/- each of Pertech Computer Ltd. (Previous Year 22,500)	0.23	0.23
7,700 Fully Paid up Equity shares of ₹ 10/- each of R.S. Petro Chemical Ltd. (Previous Year 7,700)	0.08	0.08
3,360- Fully paid up Equity shares of ₹ 100/- each of Nagdevi Trading & Investment Co. Ltd. (Previous Year 3,360)	0.51	0.51
3,558,786- Fully paid up Class-'A' Equity shares of ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,558,786)	0.36	0.36
One Fully paid up Equity share of ₹ 100/- each of Punjab State Co-operative Bank Ltd. (Previous Year One) (Cost ₹ 100)	--	--
One Fully paid up Equity shares of ₹ 5,000/- each of Krishna Building Owners Association (Previous Year One)	0.05	0.05
Sub-Total	4.03	4.03
(iv) INVESTMENT IN CUMMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted)		
At Amortised Cost		
3,156,958- Fully paid up Class 'A' 0.01% Cumulative Redeemable Preference Shares ₹10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,156,958)	128.08	115.39
Sub-Total	128.08	115.39
Total (i+ii+iii+iv)	8,151.99	12,716.11
1. Market Value of Quoted Investment	0.96	4,391.97
2. Aggregate amount of Unquoted Investment	8,151.03	8,324.14
3. Aggregate amount of Total Investment	8,151.99	12,716.11


Notes to Financial Statements for the year ended 31st March, 2019

Particulars		As at 31st March, 2019 (₹ in lacs)	As at 31st March, 2018 (₹ in lacs)
6b	Loans (Unsecured, considered good)		
	Security deposits	1,326.27	1,054.38
	Total	1,326.27	1,054.38
7	Other Non-Current Assets		
	Capital Advances	12.85	12.85
	Prepaid Lease Rentals	31.29	37.54
	Deferred Power Purchase Cost	105.88	119.70
	Prepaid Expense	4.15	5.77
	Total	154.17	175.86
8	Inventories (As taken, valued and approved by management)		
	Raw Materials	21,543.28	35,817.57
	Work-in-Progress	5,420.10	5,370.68
	Finished Goods	35,310.22	35,672.52
	Stores and Spares	3,622.50	3,427.30
	Total	65,896.10	80,288.07
8.1	Detail of Inventory-Finished Goods		
	Yarn	8,144.46	8,954.65
	Fabrics	12,372.66	12,865.77
	Sugar	14,179.69	13,232.00
	Other	613.41	620.10
	Total	35,310.22	35,672.52
9a	Trade receivables		
	Unsecured, considered good	24,196.08	18,012.24
	Total	24,196.08	18,012.24
9b	Cash and cash equivalents		
	Balances with banks - current accounts	30.89	38.03
	Cash-in-Hand	34.76	34.13
	Total	65.65	72.16
9c	Other bank balances		
	Unpaid Dividend Account	104.58	124.21
	Fixed deposit having original maturity more than 3 months but less than 12 months	4.27	4.02
	Total	108.85	128.23
9d	Loans		
	Loans to employees	59.02	83.60
	Total	59.02	83.60


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
9e Other Financial assets		
Other Financial assets	0.12	0.16
Derivaive Asset	145.99	14.55
Government Grant Receivables	2,662.54	2,422.92
Total	2,808.65	2,437.63
10 Current Tax Assets (Net)		
Advance/TDS Certificate/Paid	180.41	--
Total	180.41	--
11 Other current assets		
Advances to suppliers	2,523.17	3,274.94
Advances to employees	60.89	62.73
Balance with government authorities	11,065.93	9,410.46
Prepaid expenses	592.70	333.35
Prepaid Lease rentals	6.26	6.26
Deferred Power Purchase Cost	13.82	13.82
Expense recoverable	75.44	2,197.71
Total	14,338.21	15,299.27
12 Equity Share Capital		
Authorised :		
50,000,000 Equity Shares of ₹ 10/- each (Previous Year 65,000,000)	5,000.00	6,500.00
10,000,000 Preference Shares ₹ 100/- each (Previous Year Nil)	10,000.00	--
Total	15,000.00	6,500.00
Issued, Subscribed and Fully Paid up :		
39,835,141 Equity Shares of ₹ 10/- each (Previous Year 39,835,141)	3,983.51	3,983.51
Add:Share Forfeited Account (Amount originally paid up)	19.91	19.91
Total	4,003.42	4,003.42
6,720,000 Unlisted 5.5% Non-Convertible Non-Cummulative Redeemable Preference Shares of ₹ 100/- each (Previous Year Nil)	*6,720.00	--
Total	6,720.00	--

* ₹ 2,429.01 Lacs shown as Equity Component of Compound financial instruments under the head Other Equity (note no. 13)

* ₹ 4,232.82 Lacs shown as Liability Component of Compound financial instruments under the head Borrowings (note no. 14a(ii))

* ₹ 63.75 Lacs being statutory fees paid was reduced and shown as net in Rate & Taxes in note no. 30b as per Ind-AS

* ₹ 5.58 Lacs shown as interest expense provided under the head finance cost as per Ind-AS (note no. 29)


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
a. Reconciliation of the number of Shares outstanding :		
Equity		
At the beginning of the year	39,835,141	39,835,141
Outstanding at the end of year	39,835,141	39,835,141
Preference		
At the beginning of the year	--	--
Add: Shares issued during the year	6,720,000	--
Outstanding at the end of year	6,720,000	--

b. Terms/rights attached to Shares:
Equity Shares:

The Company has only one class of Equity Shares having Face value of ₹ 10/- each. Holder of Equity Share is entitled to only one vote per share.

Preference Shares:

The Company has Issued 5.5% Unlisted Non-Convertible Non-Cummulative Redeemable Preference Shares of the face value of ₹ 100/- each (NCNCRPS).

NCNCRPS shall be redeemable at par within 5 years from date of allotment. Notwithstanding the foregoing, the Company will have the option to redeem the NCNCRPS after expiry of two years from the date of allotment during its tenure.

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

Shareholders	As At 31 st March, 2019		As At 31 st March, 2018	
	Number	% of holding	Number	% of holding
Equity Shares				
Nahar Capital & Financial Services Ltd.	9,336,745	23.44	9,336,745	23.44
J.L. Growth Fund Ltd.	3,421,836	8.59	3,421,836	8.59
Nahar Poly Films Ltd.	2,708,800	6.80	2,708,800	6.80
Vardhman Investment Ltd.	2,277,955	5.72	2,277,955	5.72
Oswal Woolen Mills Ltd.	2,094,819	5.26	2,094,819	5.26
Nagdevi Trading & Investment Co. Ltd.	2,273,625	5.71	2,273,625	5.71
Kovalam Investment & Trading Co. Ltd.	2,068,920	5.19	2,068,920	5.19
Preference Shares				
Cotton County Retail Ltd.	6,720,000	100.00	--	--


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
13. Other Equity		
Capital Reserve		
Balance as per last Balance Sheet	9,474.86	9,474.86
Less: Transfer to General Reserve	9,474.86	--
		9,474.86
Capital Redemption Reserve		
Balance as per last Balance Sheet	1,925.00	1,925.00
Less: Transfer to General Reserve	1,925.00	--
		1,925.00
Securities Premium		
Balance as per last Balance Sheet	33,454.08	33,454.08
Contingent Liability Reserve		
Balance as per last Balance Sheet	754.90	754.90
Less: Transfer to General Reserve	754.90	--
		754.90
Equity Component of Compound financial instruments (Preference Shares)	2,429.01	--
Corporate Social Responsibility Reserve		
Balance as per last Balance Sheet	68.52	--
Add: Transfer from Retained Earning	110.25	73.30
Less: Corporate social Responsibility Spent/Expenses	95.52	83.25
		4.78
68.52		
General Reserve		
Balance as per last Balance Sheet	19,961.93	19,308.57
Add: Transfer from Capital Reserve	9,474.86	--
Add: Transfer from Capital Redemption Reserve	1,925.00	--
Add: Transfer from Contingent Liability Reserve	754.90	--
Add: Transfer from Retained Earning	(2,696.42)	29,420.27
		653.36
19,961.93		
Retained Earnings		
Balance as per last Balance Sheet	--	--
Add: Profit/ (Loss) for the year	(2,157.52)	1,722.14
Add: Remeasurement gain/(loss) on defined benefit plan	251.10	238.59
Add: Other Comprehensive income	(679.75)	(754.63)
Less: Transfer to Corporate social Responsibility Reserve	110.25	73.30
Less : Proposed Dividend on Equity shares	--	398.35
Less : Corporate Dividend Tax	--	81.09
Balance Transferred to General Reserve	(2,696.42)	653.36
		--
Total	65,386.61	65,639.29



Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
14a Borrowings		
*Term loans (Secured)		
From Banks	18,726.91	24,025.06
Others Unsecured		
i) Loans and advances from related parties	--	6,271.33
ii) Liability component of Compound financial instruments Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Share (NCNCRPS)	4,232.82	--
Total	22,959.73	30,296.39

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

Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 31st March, 2019.

14a.1 Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans*

As At 31 st March, 2019 (₹ In Lacs)	Repayment Period from originaion (years)	Installments outstanding as on 31 st March 2019 No.	Periodicity
550.00	3.5	2	Quarterly
550.71	3.5	2	Quarterly
2,194.97	6	18	Quarterly
2,495.38	8	4	Quarterly
300.52	8	4	Quarterly
729.44	8	5	Quarterly
6,397.00	8	9	Quarterly
1,436.58	5	10	Quarterly
136.74	8	3	Quarterly
292.95	5	15	Quarterly
340.31	4	5	Quarterly
1,164.14	5	15	Quarterly
3,530.74	5	15	Quarterly
4,380.00	5	20	Quarterly
3,250.00	5	20	Quarterly
435.90	13.75	55	Quarterly
7.88	5	56	monthly
44.36	3	35	monthly
680.62	3	1,314	monthly
28,918.24			

- Figure of term loan stated in para 14a .1(i) includes current maturities of Long term debt shown seperately in notes no. 18c and exclude ₹ 20.16 Lacs transaction cost amortised over the period of Term loan

- Term Loan from IDBI Bank Limited, State Bank of India, Allahabad Bank, Punjab & Sind Bank, Canara Bank ,Dena Bank and Corporation Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali; Industrial Focal Point, Phase-VIII, Village Mundian, Distt. Ludhiana, Village Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab); Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan); Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.

- Terms loans (secured) includes ₹ 732.86 Lacs as vehicle loan taken from Yes Bank & HDFC Bank against hypothecation of the respective Vehicles.

- ii) NCNCRPS shall be redeemable at par within 5 years from date of allotment. Not with standing the foregoing, the Company will have the option to redeem the NCNCRPS after expiry of two years from the date of allotment during its tenure.


Notes to Financial Statements for the year ended 31st March, 2019

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

14a.2 Terms of repayment of long term borrowings

i) Terms of Repayment of term loans*

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

* Figure of term loan stated in para 14a .1(i) includes current maturities of Long term debt shown seperately in notes no. 18c and exclude ₹ 27.50 Lacs transaction cost amortised over the period of Term loan

Term Loan from IDBI Bank Limited, State Bank of India , Allahabad Bank, Punjab & Sind Bank, Canara Bank , Dena Bank and Corporation Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali, Industrial Focal Point, Phase-VIII, Village Mundian, Distt. Ludhiana, Village Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amlah, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.

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


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
14b Other Financial Liabilities		
Security deposit	73.17	388.74
Other Liabilities	--	317.54
Total	73.17	706.28
15 Provisions		
Provision for Gratuity	573.31	925.37
Total	573.31	925.37
16 Deferred Tax Liabilities (net)		
Deferred tax Liability		
Relating to Property, plant and equipment	2,263.34	1,898.57
Deferred tax Assets		
Disallowance u/s 43B of the Income Tax Act, 1961, brought forward losses and others etc.	1,284.96	1,689.21
Total	978.38	209.36
17 Other Non-Current Liabilities		
Deferred Income	--	23.85
Total	--	23.85
18a Current Borrowings		
From Banks		
Loans repayable on demand	51,406.82	57,486.20
Total	51,406.82	57,486.20
18a.1	Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.	
18b Trade Payables		
Micro, Small and Medium Enterprises	186.92	--
Others	17,768.91	17,436.57
Total	17,955.83	17,436.57

18b.1 In response to the letters sent to the suppliers seeking to know the status of their coverage under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) the Company has received replies from some of the suppliers. Disclosures as required under Section 22 of the MSMED Act, 2006 are given below:

(₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	186.92	--
- Interest thereon	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
-------------	--	--

Particulars	As at 31st March, 2019	As at 31st March, 2018
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	--	--
The amount of interest accrued and remaining unpaid.	--	--
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	--	--

18c Other Financial Liabilities

Unpaid dividend	104.58	124.21
Due to Employees	2,364.94	2,369.07
Current Maturities	10,171.17	9,228.34
Total	12,640.69	11,721.62

18c.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor's Education and Protection Fund.

19 Other current Liabilities

Statutory dues payables	387.80	379.66
Advance from customers	611.05	338.06
Deferred Income	--	23.78
Others	989.86	1,390.94
Total	1,988.71	2,132.44

20 Provisions

Provision for Employee Benefits	6.78	6.27
Total	6.78	6.27

21 Current tax Liability (Net)

Advance income Tax / TDS/TCS	--	285.06
Less Provision for Taxation	--	413.00
Total	--	127.94


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
22 Revenue from Operations		
a) Sale of Products	178,170.96	168,559.74
b) Sale of services	1,046.74	769.19
c) Miscellaneous sales	6,688.13	6,538.60
d) Other operating revenue Export Incentives	710.41	407.35
Total	186,616.24	176,274.88
22 a).1 Details of Products Sold		
Yarn	89,632.40	80,991.25
Fabrics	74,985.52	64,896.89
Sugar	13,196.12	20,468.07
Others	8,091.79	9,511.32
Total	185,905.83	175,867.53
23 Other Income		
Interest income	666.84	133.62
Dividend Income	38.56	62.13
Rental Income	41.63	44.15
Profit on sale of Fixed Assets	411.07	270.90
Profit on sale of investments	7.85	--
Others	92.43	99.27
Total	1,258.38	610.07
24 Cost of materials consumed		
Opening stock	35,817.57	26,180.14
Add : Purchases (Net)	86,759.51	112,548.86
Less: Closing Stock	21,543.28	35,817.57
Total	101,033.80	102,911.43
24.1 Detail of Cost of Material Consumed		
Fibres	83,053.77	79,812.29
Yarn	3,664.24	3,843.48
Sugarcane	13,151.37	16,469.91
Others	1,164.42	2,785.75
Total	101,033.80	102,911.43
25 Purchases of stock-in-trade		
Yarn	5,983.43	2,699.52
Fabrics	349.59	142.95
Fibre	1,671.61	1,924.43
Total	8,004.63	4,766.90
26 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	5,370.68	5,678.90
Finished Goods	35,672.52	29,794.75
Total	41,043.20	35,473.65
Less: Closing Stock		
Work-in-progress	5,420.10	5,370.68
Finished Goods	35,310.22	35,672.52
Total	40,730.32	41,043.20
Total	312.88	(5,569.55)


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
27 Excise Duty Expenses		
Excise Duty on sales	--	397.76
Total	--	397.76
28 Employee Benefits Expense		
Salary, Wages and Other Allowances	17,636.13	16,392.02
Contribution to provident and other funds	2,029.91	2,009.30
Staff welfare expenses	119.99	123.79
Staff Recruitment & Development expenses	13.54	25.95
Total	19,799.57	18,551.06
29 Finance cost		
Interest Expense	6,553.43	6,880.36
MTM loss/(gain) on forward Contracts	(131.44)	(48.26)
Other Borrowings Cost	289.85	241.04
Total	6,711.84	7,073.14
30 Other expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	14,550.35	13,292.94
Power and Fuel	24,195.64	22,025.99
Handling and Restacking charges	376.92	541.10
Machinery Repairs and Maintenance	666.16	648.24
Excise duty on stocks	--	(902.66)
Sub Total	39,789.07	35,605.61
b. Administrative & Other Expenses		
Rent	46.29	53.61
Rates & Taxes	131.98	133.36
Insurance	373.80	368.54
Legal & Professional Expenses	215.15	169.63
Travelling & Conveyance*	287.71	500.90
Vehicle Repair & Maintenance	1,745.31	848.86
Repairs and Maintenance	337.20	409.61
Payment To Auditor	14.07	14.46
Loss on Sale/Discard of Fixed Assets	11.14	16.55
Directors Remuneration	259.68	259.68
Directors' Meeting Fees	05.40	03.20
Charity & Donation	00.95	00.15
Miscellaneous Expenses	199.70	215.60
Sub Total	3,628.38	2,994.15
*Include Director Travelling of ₹ 29.34 Lacs (Previous Year ₹ 53.04 Lacs)		
c. Selling Expenses		
Forwarding and Octroi	619.63	872.85
Commission & Brokerage	879.81	598.47
Other Selling Expenses	324.04	325.42
Sub Total	1,823.48	1,796.74
Total (a+b+c)	45,240.93	40,396.50
30.1 Payment to Auditors		
As Auditor:		
Audit fee	9.21	9.21
Tax audit fee	3.29	3.29
In other capacity	0.91	1.28
Reimbursement of expenses	0.66	0.68
Total	14.07	14.46


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
31 Tax Expense		
Current Tax	--	--
Deferred Tax	<u>405.14</u>	<u>58.67</u>
Total	405.14	58.67
31.1 Reconciliation of tax liability of book profit vis-a-vis actual Tax Liability		
Accounting Profit / (Loss) Before Tax	(1,752.38)	1,780.81
Enacted Tax Rate	34.944%	34.608%
Current Tax Expenses	(612.35)	616.30
Less: Reversal of deferred tax on temporary differences etc.	(1,017.49)	557.63
Income Tax Expenses reported in the statement of Profit & Loss	405.14	58.67
32) CONTINGENT LIABILITIES NOT PROVIDED FOR :		
a) Letter of Credits in favour of suppliers and others ₹ 6,369.95 Lacs (Previous Year ₹ 7,602.85 Lacs)		
b) Bank Guarantees in favour of suppliers and others ₹ 1,189.87 Lacs (Previous Year ₹ 1,532.79 Lacs)		
c) Sales tax demands against which the company has preferred appeals ₹ 57.74 Lacs (Previous Year ₹ 57.74 Lacs)		
d) Income tax demands against which the company has preferred appeals ₹ 1,308.26 Lacs (Previous Year ₹ 1,339.89 Lacs.)		
e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 571.84 Lacs on various matters under the Central Excise Rules (Previous Year ₹ 571.84 Lacs). The Company has filed suitable reply with the concerned authorities.		
f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 1,134.10 Lacs (Previous Year ₹ 426.73 Lacs) in favour of the President of India for fulfilment of its obligation under the rules made Central Excise Act, 1944 and Customs Act, 1962.		
g) Claims of ₹ 3,825.21 Lacs (Previous Year ₹ 3,680.22 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.		
h) Employees State Insurance corporation has raised demand of ₹ 124.62 Lacs (Previous Year ₹ 124.62 Lacs) The Company deposited ₹ 94.64 Lacs (Previous Year ₹ 94.64 Lacs) against the said demand. The company has filed the Civil Suit before the Civil Judge (Sr. Div.), ESI Court, Ludhiana		
i) The Company had received notice from the GST department vide its letter dated 24 th December, 2018 raising demand of ₹ 9.56 Lacs and the same was paid under protest on dated 31 st January, 2019. The company was also searched by the GST department on 25th February, 2019 and denied the credit of GST taken by them thus have been arbitrarily forced to reverse the entry of GST credit in the books of accounts to the extent of ₹ 600 Lacs and forced to make the payment. The company is contesting for both the amounts of ₹ 9.56 lacs paid on dated 31 st January, 2019 and ₹ 600 lacs paid on dated 26 th February, 2019. Both the amounts has been shown as advances recoverable in cash or kind. The amount has been paid under protest and final treatment of this expense would be considered as and when the matter will be finally adjudicated.		
33) Capital Commitment		
Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ 1,828.70 Lacs (Previous Year ₹ 5,911.33 Lacs).		
34) The Company has undertaken export obligations of ₹ 20,676.59 Lacs (Previous Year ₹ 40,671.89 Lacs) to export goods against the issuance of Import Licenses / Advance Licenses for the Import of Capital Goods and Raw Materials. Out of this, export obligations of ₹ 19,096.90 Lacs (Previous Year ₹ 39,092.20 Lacs) have been fulfilled up to 31 March, 2019.		



Notes to Financial Statements for the year ended 31st March, 2019

- 35) Against the foreign exchange liability, hedging contracts were entered with the bank and the liability under hedging contracts was in dispute which has now finally been settled and the company has paid total amount of ₹ 665.01 Lacs.
- 36) In the opinion of the Board of Directors, the Current Assets and Loans & Advances have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet, unless stated otherwise.
- 37) Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2019 for ₹ 4,020.99 Lacs (Previous Year ₹ 3,196.84 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.

38) Earnings Per Share (EPS) (Ind AS-33)

Particulars	2018-19	2017-18
Profit/loss after Tax (₹ in Lacs)	(2,157.52)	1,722.14
Weighted average no. of ordinary shares	39,835,141	39,835,141
Weighted average no. of diluted shares	39,835,141	39,835,141
Nominal value of ordinary share (₹)	10.00	10.00
Basic / Diluted Earning Per Share (₹)	(5.42)	4.32

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

	Textile		Sugar		Others		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Segment Revenue								
Total Revenue	172,056.39	154,036.56	14,513.84	22,400.39	129.27	255.01	186,699.50	176,691.96
Less: Inter Segment Revenue							793.67	824.43
Net Revenue							185,905.83	175,867.53
Segment Results								
Profit/ (Loss) before Interest, exceptional items & Tax	6,018.87	5,268.24	(89.60)	3,823.84	(304.80)	(238.13)	5,624.47	8,853.95
Less: Interest							6,711.84	7,073.14
Profit/ (Loss) before exceptional items & Tax							(1,087.37)	1,780.81
Less: Exceptional items							665.01	--
Profit/ (Loss) before Tax							(1,752.38)	1,780.81
Segment Assets	140,731.09	150,872.26	18,418.66	17,491.17	18,823.70	22,351.57	177,973.45	190,715.00
Segment Liabilities	59,182.44	68,259.58	14,286.91	11,214.09	1,004.79	1,864.53	74,474.14	81,338.20
Capital Employed								
Segment Assets- Segment Liabilities	81,548.65	82,612.68	4,131.75	6,277.08	17,818.91	20,487.04	103,499.31	109,376.80

40) Related Party Disclosures as required by IND AS-24 issued by the ICAI are as under: -

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

1 Associates

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

2 Key Management Personnel

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



Notes to Financial Statements for the year ended 31st March, 2019

3	Relatives of Key Management Personnel	<p>Mrs. Abhilash Oswal Mrs. Manisha Oswal Mrs. Ritu Oswal Mrs. Ruchika Oswal Mrs. Monika Oswal Mr. Rishab Oswal Mr. Abhinav Oswal</p>
4.	Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control	<p>Oswal Woollen Mills Ltd. Nahar Spinning Mills Ltd. Nahar Capital and Financial Services Ltd. Nahar Industrial Infrastructure Corporation Ltd. Monte Carlo Fashion Limited Nahar Poly Films Limited Kovlam Investment & Trading Co. Ltd. Sankheshwar Holding Co. Ltd. Vanaik Investors Ltd. Hug Foods Pvt. Ltd. Simran & Shanaya Co. Ltd. Sidhanth & Mannat Co. Ltd. Oswal Foundation (Regd.) Abhilash Growth Fund Pvt. Ltd.* Nahar Growth Fund Pvt. Ltd.* Neha Credit & Investment Ltd.* Nahar Financial & Investment Ltd.* Nagdevi Trading & Investment Co. Ltd.* Abrotex Apparels Pvt. Ltd. (formerly known as Retailerkart E-Venture Pvt Ltd.)* Palam Motels Ltd.* Vanaik Spinning Mills Ltd.* Monika Growth Fund Pvt. Ltd.* Ruchika Growth Fund Pvt. Ltd.* Girnar Investment Ltd.* Oswal Leasing Limited* Bermuda Insurance Brokers Pvt. Ltd.* Vigil Investment Pvt. Ltd.* Cabot Trading & Inv. Co. Pvt. Ltd.* Marble E-Retail Pvt. Ltd.* Survat Trading Co. Ltd.* Amloh Industries Limited* Crown Star Limited* White Tiger Breweries and Distilleries Ltd* Shri Atam Fabrics Ltd* Closet Trunk Pvt. Ltd.* Jawahar Lal Oswal Foundation* Monica Oswal Products Pvt. Ltd.* Oswal Denims Ltd.*</p>

* No transaction has taken place during the year



Notes to Financial Statements for the year ended 31st March, 2019

Particulars	(₹ in Lacs)					
	Associates		Key Management		Enterprises in Which Key Manager Personnel and relative of such personal is able to exercise Significant influence or control	
	31 st MARCH 2019	31 st MARCH 2018	31 st MARCH 2019	31 st MARCH 2018	31 st MARCH 2019	31 st MARCH 2018
b) Detail of transactions entered into with related parties during the year ;						
Purchase of goods	1.60	11.90	--	--	13,526.88	10,897.73
Sales of Goods	1,731.74	1,753.21	--	--	15,563.77	20,875.16
Purchase of fixed assets	0.62	--	--	--	3.18	19.08
Sale of fixed assets	--	--	--	--	49.25	--
Freight Income	0.02	3.56	--	--	704.37	503.57
Sale of FMP/FMS license	--	--	--	--	159.20	--
Processing charges received	--	--	--	--	62.64	26.94
Processing charges Paid	--	227.51	--	--	--	--
Interest Expenses	--	503.93	--	--	133.30	--
Interest Received	--	--	--	--	0.36	--
Rent received	14.75	15.57	15.00	15.00	1.77	8.59
Rent paid	25.72	25.72	--	--	--	--
Reimbursement of Expenses Received	103.98	9.08	--	--	117.89	115.98
Reimbursement of Expenses Paid	--	--	--	--	17.30	--
Sale of Investment	1,250.00	--	--	--	2,850.00	--
Dividend received	--	--	--	--	38.56	62.13
Dividend paid	--	73.91	--	0.01	--	199.19
Security Paid	400.00	--	--	--	--	--
Issuance of Preference Share	6,720.00	--	--	--	--	--
Director Meeting Fee	--	--	6.37	3.77	--	--
Remuneration	--	--	--	--	--	--
Loan received	493.67	365.77	--	--	--	52.24
Loan Paid	6,765.00	605.00	--	--	2,000.00	--
Corporate Social Responsibility	--	--	--	--	--	--
(CSR) Activities	--	--	--	--	68.52	--
Balance Receivable /(Payable) (net)	45.29	(6,349.71)	--	--	960.50	(981.70)
					53.70	--


Notes to Financial Statements for the year ended 31st March, 2019
Remuneration of KMP

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
i) Short Terms Benefits	299.69 #	298.63 #
ii) Post Employment Benefits	43.40	40.16
Total	343.09	338.79

Included Remuneration paid to Vice Chairman-cum-Managing Director of ₹ 261.57 Lacs during the current year and ₹ 261.94 Lacs during the previous year.

The remuneration paid by the Company to its Vice Chairman-cum-Managing Director for year ended 31st March, 2019 is in excess by ₹ 81.42 lacs viz -a-viz the limits specified in section 197 of the Companies Act, 2013 read with Schedule V thereto as the Company does not have adequate profits. The Company is in the process of complying with prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders as necessary.

41) Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments – Company as lessee

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

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

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

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

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

Impairment of non-financial assets

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


Notes to Financial Statements for the year ended 31st March, 2019
42) Post Retirement Benefits Plan (Ind AS 19)
Defined Benefit Plan

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

Particulars	31st March, 2019 (₹ In Lacs)	31st March, 2018 (₹ In Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	3,218.71	2,983.90
Interest cost	223.60	193.27
Current service cost	434.59	399.05
Past service cost-plan amendments	--	131.99
Actuarial loss/(gain) - Experience Changes	(241.53)	85.53
Actuarial loss/(gain) - Financial Assumption	(123.70)	(291.75)
Benefits paid	(394.31)	(283.28)
Present value obligation as at the end of the year	3,117.36	3,218.71
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,293.34	2,341.90
Interest income on plan assets	171.86	151.35
Employer Contributions	452.42	51.00
Return on plan assets greater/(lesser) than discount Rates	20.74	32.37
Benefits paid	(394.31)	(283.28)
Fair value of plan assets as at the end of the year	2,544.05	2,293.34
Breakup of Actuarial gain/loss:		
Actuarial (gain)/loss on arising from change in financial assumption	(123.70)	(291.75)
Actuarial (gain)/loss on arising from experience adjustment	(241.53)	85.53
Return on plan assets (greater)/less than discount rate	(20.74)	(32.37)
	(385.97)	(238.59)
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	3,117.36	3,218.71
Fair value of plan assets as at the end of the year	2,544.05	2,293.34
Net Asset/(Liability) in Balance Sheet	(573.31)	(925.37)


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
Amount recognized in the statement of profit and loss		
Current service cost	434.59	399.05
Past service cost-plan amendments	--	131.99
Interest cost	223.60	193.27
Interest Income on plan assets	(171.86)	(151.35)
(Income)/Expense recognized in the statement of profit and loss	486.33	572.96
Remeasurements recognized in the statement of Other Comprehensive Income (OCI)		
Experience Adjustments	(241.53)	85.53
Changes in Financial Assumptions	(123.70)	(291.75)
Return on plan assets (greater)/lesser than discount Rates	(20.74)	(32.37)
Net Loss /(Gain) recognized in other comprehensive income	(385.97)	(238.59)
Plan assets information		
Insurer Manage Funds	100%	100%
Actuarial assumptions		
Discount rate	7.10%	7.40%
Salary Escalation Rate	8.00%	9.00%
Employee turnover Rate	12.00%	12.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult. Modified	Indian Assured Lives Mortality (2006-08) Ult. Modified

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

Sensitivity analysis for gratuity liability

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

Impact of the change in discount rate

a) Impact due to increase of 0.50%	(88.35)	(86.44)
b) Impact due to decrease of 0.50%	93.55	95.84

Impact of change in salary Escalation Rate

a) Impact due to increase of 0.50%	89.67	92.57
b) Impact due to decrease of 0.50%	(86.02)	(84.47)

Impact of change in Employee turnover Rate

a) Impact due to increase of 0.50%	(64.76)	(95.57)
b) Impact due to decrease of 0.50%	90.27	148.48

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


Notes to Financial Statements for the year ended 31st March, 2019
Expected Future cash flow

The expected future cash flow in respect of gratuity as at 31st March, 2019 were as follows

Expected contribution

The expected future employer contributions for defined benefit plan as at 31st March, 2019 (for the year ended 31st March, 2020 i.e. ₹ 573.31 Lacs)

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

Gratuity 6 Years 6 Years

The following are the expected future benefits payments for the defined benefit plan :

	(₹ in Lacs)	
Particulars	31st March, 2019	31st March, 2018
Description		
March 31, 2019	--	497.23
March 31, 2020	482.60	418.05
March 31, 2021	415.40	445.23
March 31, 2022	418.63	466.05
March 31, 2023	466.22	518.36
March 31, 2024	530.67	--
March 31, 2024 to March 31, 2028	--	3,075.55
March 31, 2025 to March 31, 2029	2,843.48	--

43) Fair Value Measurement
(a) Financial Instruments by category and hierarchy

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

	As At 31st March, 2019			As At 31st March, 2018		
Particulars	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment						
-Equity instruments	--	04.99	--	--	4,396.00	--
-Preference Shares	--	--	128.08	--	--	115.39
Loans (Non Current)	--	--	1,326.27	--	--	1,054.38
Trade receivables	--	--	24,196.08	--	--	18,012.24
Cash and cash equivalents	--	--	65.65	--	--	72.16
Other Bank Balance	--	--	108.85	--	--	128.23
Loans (Current)	--	--	59.02	--	--	83.60
Other financial assets	145.99	--	2,662.66	14.55	--	2,423.08
Total Financial Assets	145.99	04.99	28,546.61	14.55	4,396.00	21,889.08


Notes to Financial Statements for the year ended 31st March, 2019 (₹ in Lacs)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings (Non Current)	--	--	22,959.73	--	--	30,296.39
Security deposit	--	--	73.17	--	--	388.74
Other Liabilities	--	--	--	--	--	317.54
Borrowings (Current)	--	--	51,406.82	--	--	57,486.20
Trade payable	--	--	17,955.83	--	--	17,436.57
Unpaid dividend	--	--	104.58	--	--	124.21
Due to Employees	--	--	2,364.94	--	--	2,369.07
Current Maturities	--	--	10,171.17	--	--	9,228.34
Total Financial Liabilities	--	--	105,036.24	--	--	117,647.06

(b) Fair value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standards. An explanation of each level follows under the table.

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

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments	00.96	--	04.03	4,391.97	--	04.03
Other Financial Asset (Derivative Asset)	145.99	--	--	14.55	--	--
Total	146.95	--	04.03	4,406.52	--	04.03
Financial liabilities						
Derivative Liability	--	--	--	--	--	--
Total	--	--	--	--	--	--

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

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Preference Shares	--	--	128.08	--	--	115.39
Loans (Non Current)	--	--	1,326.27	--	--	1,054.38
Trade receivables	--	--	24,196.08	--	--	18,012.24
Cash and cash equivalents	--	--	65.65	--	--	72.16
Other Bank Balance	--	--	108.85	--	--	128.23
Loans (Current)	--	--	59.02	--	--	83.60
Other financial assets	--	--	2,662.66	--	--	2,423.08
Total Financial assets	--	--	28,546.61	--	--	21,889.08


Notes to Financial Statements for the year ended 31st March, 2019 (₹ in Lacs)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Borrowings (Non Current)	--	--	22,959.73	--	--	30,296.39
Security deposit	--	--	73.17	--	--	388.74
Other Liabilities	--	--	--	--	--	317.54
Borrowings (Current)	--	--	51,406.82	--	--	57,486.20
Trade payable	--	--	17,955.83	--	--	17,436.57
Unpaid dividend	--	--	104.58	--	--	124.21
Due to Employees	--	--	2,364.94	--	--	2,369.07
Current Maturities	--	--	10,171.17	--	--	9,228.34
Total Financial Liabilities	--	--	105,036.24	--	--	117,647.06

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

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

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

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Preference Share	128.08	128.08	115.39	115.39
Loans	1,326.27	1,326.27	1,054.38	1,054.38
Total	1,454.35	1,454.35	1,169.77	1,169.77
Financial liabilities				
Borrowings	22,959.73	22,959.73	30,296.39	30,296.39
Security deposit	73.17	73.17	388.74	388.74
Total	23,032.90	23,032.90	30,685.13	30,685.13


Notes to Financial Statements for the year ended 31st March, 2019

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

44) Financial risk management objectives 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 investment loans, trade other receivables, cash & cash equivalents and other bank balances that derive directly from its operations.

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

(A) Market risk

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

a) Interest rate risk

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

Particulars	As at 31st March, 2019 (₹ in Lacs)	As at 31st March, 2018 (₹ in Lacs)
Variable rate borrowings	80,304.90	90,739.60
Fixed rate borrowings	4,232.82	6,271.33
Total	84,537.72	97,010.93

Interest rate sensitivity

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


Notes to Financial Statements for the year ended 31st March, 2019

Particulars	Effect on Profit Before Tax	
	As at 31st March, 2019 (₹ in Lacs)	As at 31st March, 2018 (₹ in Lacs)
Increase by 50 basis points	(401.52)	(453.70)
Decrease by 50 basis points	401.52	453.70

b) Foreign currency risks

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

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

Particulars	Spot Rate			
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019 (₹ In Lacs)	As at 31st March, 2018 (₹ In Lacs)
Trade Payable				
-USD 1	69.93	65.80	76.56	65.24
-EUR 1	79.02	81.26	21.03	12.02
-JPY 100	00.63	00.62	--	00.08
-CHF 1	70.82	69.26	11.23	01.22

Foreign currency sensitivity

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

Particulars	Effect on Profit Before Tax	
	As at 31st March, 2019 (₹ In Lacs)	As at 31st March, 2018 (₹ In Lacs)
USD Sensitivity		
Decrease by 5%	03.83	03.26
Increase by 5%	(03.83)	(03.26)
EUR Sensitivity		
Decrease by 5%	01.05	00.60
Increase by 5%	(01.05)	(00.60)
JPY Sensitivity		
Decrease by 5%	--	--
Increase by 5%	--	--
CHF Sensitivity		
Decrease by 5%	00.56	00.06
Increase by 5%	(00.56)	(00.06)


Notes to Financial Statements for the year ended 31st March, 2019
a) Foreign Currency Exposure (Forward Booking)

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

Category wise Quantitative Data Type Contract	As at 31st March, 2019 (₹ In Lacs)	As at 31st March, 2018 (₹ In Lacs)
Forward contracts against exports (US \$)	2,724.04	1,349.91
Forward contracts against imports (US \$)	609.82	1,975.89

B) Credit risk

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

Credit risk management

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

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

Financial assets that expose the entity to credit risk :

Particulars	As at 31st March, 2019 (₹ In Lacs)	As at 31st March, 2018 (₹ In Lacs)
Low credit risk on reporting date		
Investments	8,151.99	12,716.11
Loans(non-current)	1,326.27	1,054.38
Trade receivables	24,196.08	18,012.24
Cash and cash equivalents	65.65	72.16
Other bank balances	108.85	128.23
Loans(current)	59.02	83.60
Other financial asset	2,808.65	2,437.63
Total	36,716.51	34,504.35
Moderate credit risk	--	--
High credit risk	--	--

Cash & cash equivalents and bank deposits

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

Trade receivables

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


Notes to Financial Statements for the year ended 31st March, 2019

Gross carrying amount of trade receivables		(₹ In lacs)
Particulars	As At 31st March, 2019	As At 31st March, 2018
Ageing		
Not Due	22,219.50	16,975.03
0-60 days past due	1,136.92	673.45
61-120 days past due	224.99	148.55
121-180 days past due	141.13	20.22
181-365 days past due	278.78	90.98
More than 365 Days past due	194.76	104.01

Other financial assets measured at amortised cost

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

(C) Liquidity risk

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

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

Particulars	As At 31 st March, 2019	As At 31 st March, 2018
Floating rate		
(a) Expiring within one year		
(Bank overdraft and other facilities)		
Secured : Cash credit facilities	11,593.19	5,513.80
(b) Expiring beyond one year (Bank loans)		
Secured : Undraw Rupees term loan from banks	426.10	3,762.00
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -		
	(₹ in Lacs)	

Particulars	0-1 Years	1-2 Years	2-5 Years	More than 5 Years	Total
Year ended 31 March, 2019					
Contractual maturities of borrowings	61,557.83	6,531.04	11,948.79	267.24	80,304.90
5.5% Non convertible no cumulative Redeemable Preference Share (Unsecured)	--	--	4,232.82	--	4,232.82
Contractual maturities of Trade payable	17,955.83	--	--	--	17,955.83
Contractual maturities of security deposit received	--	73.17	--	--	73.17
Contractual maturities of other financial liabilities	2,364.94	--	--	--	2,364.94
Unpaid Dividend	104.58	--	--	--	104.58
Total	81,983.18	6,604.21	16,181.61	267.24	105,036.24

	(₹ in Lacs)				
Particulars	0-1 Years	1-2 Years	2-5 Years	More than 5 Years	Total
Year ended 31 March, 2018					
Contractual maturities of borrowings	66,687.06	9,563.10	13,364.34	1,125.10	90,739.60
Loans and advances from related parties(Unsecured)	--	--	6,271.33	--	6,271.33
Contractual maturities of Trade payable	17,436.57	--	--	--	17,436.57
Contractual maturities of security deposit received	--	64.18	324.56	--	388.74
Contractual maturities of other financial liabilities	2,369.07	317.54	--	--	2,686.61
Unpaid Dividend	124.21	--	--	--	124.21
Total	86,616.91	9,944.82	19,960.23	1,125.10	117,647.06


Notes to Financial Statements for the year ended 31st March, 2019
45) Dividend distribution made and proposed (₹ in Lacs)

Particulars	As At 31st March, 2019	As At 31st March, 2018
Cash dividend on equity shares declared and paid :		
Final dividend for year ended March 31, 2018 : Nil per share (March 31, 2017 : ₹ 1 per share)	--	398.35
Dividend distribution tax on final dividend	--	81.09
Total	--	479.44

The Company did not propose dividend on equity shares for the year ended 31st March, 2019.

46) Capital Management

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

Particulars	As At 31 st March, 2019	As at 31 st March, 2018
Borrowings	84,537.72	97,010.93
Trade payables	17,955.83	17,436.57
Less: Cash and cash equivalents	174.50	200.39
Net debt (A)	102,319.05	114,247.11
Equity (B)	69,390.03	69,642.71
Capital and net debt (A+B)	171,709.08	183,889.82
Gearing ratio	59.59	62.13

47) The Company is covered under the provision of the section 135 of the Companies Act, 2013 (₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
The Amount required to be spent (incl. opening balance)	178.77	73.30
The Amount spent	95.52	4.78

In accordance with the provisions of section 135 of the Companies Act 2013, the board of directors of the company had constituted a CSR committee. The company had decided to carry out its CSR activities through a consortium formed by group companies. As per actual expenditure of consortium on approved CSR activities as approved by members, the company, year to year, either contribute or make provision for CSR activities proposed to be undertaken by consortium. The company in the previous year has set apart its CSR ₹ 68.52 Lacs for F.Y 2017-18 which has been paid during this year to M/s. Oswal Foundation, Ludhiana, through whom consortium has been doing its CSR activities and as against the current year's obligation of ₹ 110.25 lacs, a sum of ₹ 27.00 lacs has also been spent directly on CSR activities and thus treated as utilized as per the requirement. In the meantime unspent amount of the CSR obligation of ₹ 83.25 lacs (previous year ₹ 68.52 lacs) has been set apart towards CSR reserve. Presently CSR activities are being done in the field of medical facilities for poor and needy people on charitable basis through recognized charitable medical institution.


Notes to Financial Statements for the year ended 31st March, 2019

- 48) Reconciliation of changes in liabilities arising from the financing activities including both changes arising from the cash flows and non -cash changes as per the requirement of the Ind As -7 "Statement of Cash Flows"

(₹ in Lacs)			
Particulars	Long-term borrowing (including current maturities)	Short -term borrowing	Total
As at 1st April, 2018	39,524.73	57,486.20	97,010.93
Cash flows :			
Proceeds from borrowings	5,596.96	2,000.00	7,596.96
Proceeds from Issue of Preference Share	6,720.00	--	6,720.00
Repayment of borrowings	(16,230.95)	(8,079.38)	(24,310.33)
Ind AS Adjustment:			
Impact of adjustment on borrowings / preference shares	(50.83)	--	(50.83)
Equity Component of Preference Share	(2,429.01)	--	(2,429.01)
As at 31st March, 2019	33,130.90	51,406.82	84,537.72

- 49) Some balances of Trade Payables , Advances and Trade Receivables are subject to their Confirmation.
- 50) Previous year figures have been regrouped /recasted/reclassified wherever considered necessary to make them comparable



Independent Auditor's Report

To The Members of
Nahar Industrial Enterprises Limited.
Report on the audit of Consolidated Ind AS Financial Statements
Opinion

We have audited the accompanying consolidated Ind AS Financial Statements of Nahar Industrial Enterprises Limited (hereinafter referred to as "the Investor Company") and its associates, which comprise of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (Including Other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the associates referred to, below in the other matter paragraph, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Investor company and its associates as at 31st March, 2019, and their consolidated loss (including other comprehensive income), their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis For Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the company and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We

believe that the audit evidence obtained by us and by the other auditors in terms of their report referred to in the other matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How was the matter addressed in our audit
The company was searched by the GST department on 25 th February, 2019. The company had been denied the credit of GST taken by them thus have been arbitrarily forced to reverse the entry of GST credit in their books of accounts to the extent of ₹ 600 Lacs and forced to make the payment (refer note no. 32(i) of notes to financial statements).	For this matter our procedures included meeting with the management and discussing litigations with the Company's tax head. The company is contesting the amount of ₹ 600 Lacs and has been shown as advances recoverable. The amount has been paid under protest and final treatment of this expense would be considered as and when the matter is finally adjudicated.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Investor Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, including annexure there to, Report on Corporate Governance and Management Discussion & Analysis Report, but does not include the Consolidated and Standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Investor Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, Consolidated changes in Equity and Consolidated Cash Flows of the Investor company and its Associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Investor Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Investor Company and its Associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS Financial Statements by the Directors of the Investor Company as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the investor company and of its associates are responsible for assessing the ability of the company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Investor company and of its associates are responsible for overseeing the financial reporting process of the company and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Investor Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Investor company and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Investor company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements including the disclosures, and whether the Consolidated Financial Statements represent



the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS Financial Statements.

We communicate with those charged with governance of the Investor Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

such communication.

Other Matters

The consolidated Ind AS Financial Statements include the Investor company's share of I-GAAP (Loss) of ₹ 0.37 Crores for the year ended 31st March, 2019 from one Associates (Cotton County Retail Limited) which have been audited by us.

We did not audit the I-GAAP Financial Statements of three companies being an associates (J.L. Growth Funds Limited, Vardhman Investment Limited and Atam Vallabh Financers Limited) whose financial statements/financial information reflect the Investor company's share of I-GAAP profit after tax of Rs. 0.21 crores as considered in the consolidated Ind AS Financial Statements. These Financial Statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

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



- relevant books of account maintained for the purpose of preparation of the consolidated Ind AS Financial Statements.
- (d) In our opinion, the aforesaid consolidated Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Investor Company as on 31st March, 2019 taken on record by the Board of Directors of the Investor Company and the report of the statutory auditor of its associate companies incorporated in India, none of the directors of the Investor company and its associate companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' which is based on the auditor's reports of the Investor Company and its associate companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Investor Company and its Associate companies internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
- We report that, the remuneration paid by the Company to its Managing Director for year ended 31st March, 2019 is in excess by ₹ 81.42 lacs viz - a-viz the limits specified in section 197 of the Companies Act, 2013 read with Schedule V thereto as the Company does not have adequate profits during the year. The Company is in the process of complying with prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders as necessary. (Refer note No. 40 of the consolidated Ind AS financial statements)
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Investor Company, and its associates -to the consolidated Ind AS Financial Statements.
 - The Investor Company and its associates does not have any material foreseeable losses 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 Investor Company during the year ended 31st March, 2019.

For K R Aggarwal & Associates

Chartered Accountants

FRN NO:-030088N

Kanika

Partner

M.NO.539337

Place : Ludhiana

Dated: 30th May, 2019

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March, 2019, We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited (hereinafter referred to as "the Investor Company") and its associate companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the Investor Company and its associate companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associate companies, in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Investor Company and its Associates internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to explanations given to us and based on the consideration of reports of the other auditors, the Investor Company and its associate companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Investor Company and its associate companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

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

For K R Aggarwal & Associates

Chartered Accountants

FRN NO:-030088N

Kanika

Partner

Place : Ludhiana

Dated: 30th May, 2019

M.NO.53933


CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Note No.	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	3	56,736.12	54,315.73
b) Capital work in progress		2,404.21	4,514.63
c) Investment Property	4	1,547.72	1,597.36
d) Other Intangible Assets	5	--	19.73
e) Financial Assets			
i) Investments	6a	9,187.57	13,768.58
ii) Loans	6b	1,326.27	1,054.38
f) Other non current assets	7	154.17	175.86
Total Non-Current Assets		71,356.06	75,446.27
Current Assets			
a) Inventories	8	65,896.10	80,288.07
b) Financial Assets			
i) Trade receivable	9a	24,196.08	18,012.24
ii) Cash and cash equivalents	9b	65.65	72.16
iii) Other bank balances	9c	108.85	128.23
iv) Loans	9d	59.02	83.60
v) Other Financial Assets	9e	2,808.65	2,437.63
c) Current Tax Assets (Net)	10	180.41	--
d) Other Current Assets	11	14,338.21	15,299.27
Total Current Assets		107,652.97	116,321.20
TOTAL ASSETS		179,009.03	191,767.47
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	4,003.42	4,003.42
b) Other Equity	13	66,213.26	66,478.90
Total Equity		70,216.68	70,482.32
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	14a	22,959.73	30,296.39
ii) Other Financial Liabilities	14b	73.17	706.28
b) Provisions	15	573.31	925.37
c) Deferred tax liabilities (net)	16	1187.31	422.22
d) Other non-current liabilities	17	--	23.85
Total Non-Current Liabilities		24,793.52	32,374.11
Current Liabilities			
a) Financial Liabilities			
i) Current Borrowings	18a	51,406.82	57,486.20
ii) Trade Payables	18b	17,955.83	17,436.57
iii) Other Financial Liabilities	18c	12,640.69	11,721.62
b) Other Current Liabilities	19	1,988.71	2,132.44
c) Provisions	20	6.78	6.27
d) Current Tax Liabilities (Net)	21	--	127.94
Total Current Liabilities		83,998.83	88,911.04
TOTAL EQUITY AND LIABILITIES		179,009.03	191,767.47

The accompanying notes form an integral part of these financial statements 1 to 50

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants

FRN : 030088N

Kanika

Partner

M.No:539337

Place: Ludhiana

Dated: 30th May, 2019

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

(DIN : 00498670)

Kamal Oswal

Vice Chairman cum-

Managing Director

(DIN: 00493213)


CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Note No.	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
INCOME			
Revenue from Operations	22	186,616.24	176,274.88
Other Income	23	1,258.38	610.07
Total Revenue		187,874.62	176,884.95
EXPENSES			
Cost of Materials Consumed	24	101,033.80	102,911.43
Purchases of stock-in-trade	25	8,004.63	4,766.90
Change in inventories of Finished Goods, Work-In-Progress and stock in trade	26	312.88	(5,569.55)
Excise Duty Expenses	27	--	397.76
Employee Benefit Expense	28	19,799.57	18,551.06
Finance Costs	29	6,711.84	7,073.14
Depreciation and Amortisation Expense	3,4,5	7,858.34	6,576.90
Other Expenses	30	45,240.93	40,396.50
Total Expenses		188,961.99	175,104.14
Profit/(loss) Before Share of Profit/(Loss) of Associate, Exceptional Items and Tax		(1,087.37)	1,780.81
Share of Profit/(loss) of equity accounted investments		(12.02)	82.20
Profit/(Loss) Before Exceptional Items and Tax		(1099.39)	1863.01
Exceptional Items			
Foreign Exchange Hedging Loss (Net of Premium Receipts)	35	665.01	--
Profit/(loss) Before Tax		(1,764.40)	1,863.01
Tax expense	31		
(1) Current tax		4.87	423.13
Less :- Mat Credit Entitlement		--	(413.00)
(2) Deferred tax		401.21	75.46
Profit After Tax for the period		(2,170.48)	1,777.42
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Re-measurement gains (losses) on defined benefit plans		385.97	238.59
Income tax effect on the above		(134.87)	--
ii) Net Gain/(Loss) on FVOCI equity instruments		(484.67)	(949.71)
Income tax effect on the above		(195.08)	195.08
Total Other Comprehensive Income		(428.65)	(516.04)
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		(2,599.13)	1,261.38
Basic and diluted earnings per equity share (Face value of equity share ₹ 10 each)	38	(5.45)	4.46

The accompanying notes form an integral part of these financial statements 1 to 50

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants

FRN : 030088N

Kanika

Partner

M.No:539337

Place: Ludhiana

Dated: 30th May, 2019

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

(DIN : 00498670)

Kamal Oswal

Vice Chairman cum-

Managing Director

(DIN: 00493213)


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	2018-19 (₹ in lacs)	2017-18 (₹ in lacs)
(A) Cash Flow from Operating Activities		
Net profit/(Loss) before Tax	(1,764.40)	1,863.01
Adjustment for:		
Depreciation	7,858.34	6,576.90
Power & fuel Exp	13.82	13.82
Other Income	(47.74)	(35.22)
Rent	6.26	6.26
Remeasurement of defined benefit plan	385.97	238.59
Sundry balances written back (Net)	(5.85)	(53.37)
Profit on sale of Property, Plant and Equipment (Net)	(399.93)	(254.35)
Profit on sale of investment	(7.85)	--
Dividend Received	(38.56)	(62.13)
Interest Income	(666.84)	(133.62)
Interest Expense	6,711.84	7,073.14
Foreign Exchange Hedging Loss (Net of Premium Receipts)	665.01	--
Share of (Profit)/loss of associates	12.02	(82.20)
Operating Profit before Working Capital Changes	12,722.09	15,150.83
Adjustment for		
Trade & other receivable	(5,894.68)	(1,103.39)
Inventories	14,391.97	(15,941.81)
Trade Payables	(630.96)	7,165.48
Cash Generated from operations	20,588.42	5,271.11
Direct Taxes Paid	(274.46)	(315.52)
Net Cash from Operating Activities	20,313.96	4,955.59
(B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(8,507.96)	(8,550.88)
Sale of Property, Plant and Equipment	808.94	1,882.03
Sale of investment	4,100.00	--
Interest Received	666.84	133.62
Dividend Received	38.56	62.13
Net cash used in Investing Activities	(2,893.62)	(6,473.10)
(C) Cash Flow from Financing Activities		
Interest Expense	(6,711.84)	(7,073.14)
Foreign Exchange Hedging Loss (Net of Premium Receipts)	(665.01)	--
Dividend paid	(19.63)	(379.98)
Corporate dividend tax	--	(81.09)
Proceeds from Long Term Borrowings (Net)	(10,626.62)	(1,568.44)
Changes in Working Capital Borrowings	(6,079.38)	10,543.21
Issue of Preference Share	6,720.00	--
Preference Share Issue expenses	(63.75)	--
Net Cash used in Financing Activities	(17,446.23)	1,440.56
Net Change in Cash & Cash Equivalents (A+B+C)	(25.89)	(76.95)
Opening Cash & Cash Equivalents	200.39	277.34
Closing Cash & Cash Equivalents	174.50	200.39

Notes : 1. Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
2. Figures in brackets represent deduction
3. Refer Note no- 48, debt reconciliation as per Ind AS-7 "Statement of Cash flows".

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants

FRN : 030088N

Kanika

Partner

M.No:539337

Place: Ludhiana

Dated: 30th May, 2019

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

(DIN : 00498670)

Kamal Oswal

Vice Chairman-cum-

Managing Director

(DIN: 00493213)


Consolidated Statement of Changes in Equity for the Year ended 31st March, 2019

Particulars		2018-19 (₹ in lacs)	2017-18 (₹ in lacs)						
A.	Equity Share Capital								
	Balance at the beginning of the reporting year	4,003.42	4,003.42						
	Changes in Equity Share Capital during the reporting year	--	--						
	Balance at the closing of the reporting year	<u>4,003.42</u>	<u>4,003.42</u>						
B.	Other Equity								
Reserve & Surplus									
Particulars	Securities Premium	Capital Reserve	Capital Redemption Reserve	Contingent Liability Reserve	Corporate Social Responsibility Reserve	General Reserve	Retained Earnings	Equity Component of Compound Financial Instruments (Preference Share)	Total
Balance as at 1 st April, 2017 (a)	33,454.08	9,474.86	1,925.00	754.90	--	20,092.90	--	--	65,701.74
Profit for the year	--	--	--	--	--	--	1,777.42	--	1,777.42
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--	238.59	--	238.59
Other Comprehensive Income	--	--	--	--	--	--	(754.63)	--	(754.63)
Total Comprehensive Income for the year (b)	--	--	--	--	--	--	1,261.38	--	1,261.38
Dividends (including tax thereon)	--	--	--	--	--	--	(479.44)	--	(479.44)
Transfer to Corporate social Responsibility Reserve	--	--	--	--	--	--	(73.30)	--	(73.30)
CSR Expense/Spent	--	--	--	--	(4.78)	--	--	--	(4.78)
Transfer from Retained Earning	--	--	--	--	73.30	708.64	--	--	781.94
Transfer to General Reserve	--	--	--	--	--	--	(708.64)	--	(708.64)
Total (c)	--	--	--	--	68.52	708.64	(1,261.38)	--	(484.22)
Balance as at 31 st March, 2018 (d) = (a+b+c)	33,454.08	9,474.86	1,925.00	754.90	68.52	20,801.54	--	--	66,478.90
Profit for the year	--	--	--	--	--	--	(2,170.48)	--	(2,170.48)
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	--	251.10	--	251.10
Other Comprehensive Income	--	--	--	--	--	--	(679.75)	--	(679.75)
Total Comprehensive Income for the year (E)	--	--	--	--	--	--	(2,599.13)	--	(2,599.13)
CSR Expense/Spent	--	--	--	--	(95.52)	--	--	--	(95.52)
Equity Component of Preference Shares	--	--	--	--	--	--	--	2,429.01	2,429.01
Transfer to Corporate Social Responsibility Reserve	--	--	--	--	--	--	(110.25)	--	(110.25)
Transfer from Contingent Liability Reserve	--	--	--	--	--	754.90	--	--	754.90
Transfer from Capital Redemption Reserve	--	--	--	--	--	1,925.00	--	--	1,925.00
Transfer from Capital Reserve	--	--	--	--	--	9,474.86	--	--	9,474.86
Transfer from Retained Earning	--	--	--	--	110.25	(2,709.38)	--	--	(2,599.13)
Transfer to General Reserve	--	(9,474.86)	(1,925.00)	(754.90)	--	--	2,709.38	--	(9,445.38)
Total (f)	--	(9,474.86)	(1,925.00)	(754.90)	14.73	9,445.38	2,599.13	2,429.01	2,333.49
Balance as at 31 st March, 2019 (g) =(d+e+f)	33,454.08	--	--	--	83.25	30,246.92	--	2,429.01	66,213.26

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants

FRN : 030088N

Kanika

Partner

M.No:539337

Place: Ludhiana

Dated: 30th May, 2019

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

(DIN : 00498670)

Kamal Oswal

Vice Chairman-cum-

Managing Director

(DIN: 00493213)

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019****1. Background**

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

Note: 2 Significant accounting policies

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

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

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

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

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

(ii) Historical Cost Convention

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

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

(iii) Rounding of amounts

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

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

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

(ii) Equity Method

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

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

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

(c) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019**

transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Current versus non-current classification

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

(e) Property, plant and equipment

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

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019****Depreciation methods, estimated useful lives and residual value**

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

(f) Investment properties

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

(g) Intangible assets**Computer Software**

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

(h) Impairment of Non-financial assets

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

(i) Inventories

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

(j) Borrowing costs

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

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

(k) Government Grant

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019**

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

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

(l) Provisions, Contingent liabilities and Contingent Assets

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

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

(m) Foreign currency translation

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

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

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

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

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

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

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

Sale of goods

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

Rendering of services

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

(ii) Export Incentives- Export incentives are recognized on post export basis.**(iii) Interest income -** Interest income from debt instruments is recognized using the effective interest rate



Consolidated Notes to Financial Statements for the year ended 31st March, 2019

method.

- (iv) **Dividend income** - Dividends are recognized 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 recognized when no Significant uncertainty exists with regard to the amount to be realised and ultimate Collection thereof .

(o) Leases

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

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

(p) Income Tax

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

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

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

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

Deferred tax assets are not recognized for temporary differences between the carrying Amount an tax bases of investment in associate where is not probable that the differences will reverse in the foreseeable future and taxable profit will not available against which the temporary differences can be utilised.

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

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

(q) Cash and cash equivalents

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

(r) Trade receivables

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019****(s) Financial instruments**

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

Fair Value through OCI:

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

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

Fair Value through Profit or Loss:

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

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

Classification and Subsequent Measurement: Financial liabilities:

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

Financial Liabilities at FVTPL:

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

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

Other Financial Liabilities:

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

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019****Impairment of financial assets:**

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

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

Derecognition of financial assets:

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

(t) Derivative financial instruments

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

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

(u) Offsetting financial instruments

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

(v) Derivatives that are not designated as hedges

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

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

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

(ii) Post-employment obligations

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

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

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

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

(iii) Defined contribution plans

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019**

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

The Company has not further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(x) Segment reporting

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

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

(z) Borrowings

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

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

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

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company

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

(ii) Diluted earnings per share

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

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

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

Note: 2.1 Critical estimates and judgements

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

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019**

together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 31
- Estimation of defined benefit obligation – Note 42
- Recognition of deferred tax assets for carried forward tax losses – Note 16

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.

Note: 2.2 Recent accounting pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits', Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

Ind AS 116- Leases:

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- (a) Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- (b) Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- (a) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- (b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial applicatio

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard on its financial statements.

Appendix C to Ind AS 12, Uncertainty over income tax treatment:

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that

**Consolidated Notes to Financial Statements for the year ended 31st March, 2019**

affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.
- The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 19, Plan amendment, curtailment or settlement:

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.

Amendments to Ind AS 23 Borrowing costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting Period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.



Consolidated Notes to Financial Statements for the year ended 31st March, 2019

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2018	Additions during the year	Sale/Adjustment during the year	As at 31.03.2019	Upto 31.03.2018	Provided during the year	Adjustment/ Written Back during the year	Total upto 31.03.2019	As at 31.03.2019
Lease hold Land	123.49	--	--	123.49	30.36	1.25	--	31.61	91.88
Freehold Land	8,683.81	--	--	8,683.81	--	--	--	--	8,683.81
Building	33,149.37	580.42	300.51	33,429.28	16,781.90	966.07	177.65	17,570.32	15,858.96
Plant & Machinery	149,285.22	9,731.10	5,685.30	153,331.02	121,412.72	6,300.87	5,425.59	122,288.00	31,043.02
Furniture & Fixtures	955.35	20.78	13.36	962.77	738.51	57.78	9.90	786.39	176.38
Office Equipment	1,109.22	78.91	8.87	1,179.26	989.36	66.57	7.51	1,048.42	130.84
Vehicles	1,751.07	207.17	87.39	1,870.85	788.95	396.43	65.76	1,119.62	751.23
TOTAL	195,057.53	10,618.38	6,095.43	199,580.48	140,741.80	7,788.97	5,686.41	142,844.36	56,736.12
Previous Year	190,626.80	9,164.81	4,734.08	195,057.53	137,366.39	6,481.81	3,106.40	140,741.80	54,315.73

4. INVESTMENT PROPERTY

Particulars	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2018	Additions during the year	Sale/Adjustment during the year	As at 31.03.2019	Upto 31.03.2018	Provided during the year	Adjustment/ Written Back during the year	Total upto 31.03.2019	As at 31.03.2019
Freehold Land	591.70	--	--	591.70	--	--	--	--	591.70
Building	1,436.02	--	--	1,436.02	430.36	49.64	--	480.00	956.02
TOTAL	2,027.72	--	--	2,027.72	430.36	49.64	--	480.00	1,547.72
Previous Year	1,598.77	428.95	--	2,027.72	378.04	52.32	--	430.36	1,597.36

Amount recognised in profit and loss for investment properties :

Particulars	31st March, 2019	31st March, 2018
Rental Income	35.85	38.01
Direct operating expenses that generated rental income	49.64	52.32
Profit/(Loss) from leasing of investment properties	(13.79)	(14.31)

5. OTHER INTANGIBLE ASSETS

Particulars	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2018	Additions during the year	Sale/Adjustment during the year	As at 31.03.2019	Upto 31.03.2018	Provided during the year	Adjustment/ Written Back during the year	Total upto 31.03.2019	As at 31.03.2019
Computer Software	458.31	--	--	458.31	438.58	19.73	--	458.31	--
TOTAL	458.31	--	--	458.31	438.58	19.73	--	458.31	--
Previous Year	458.31	--	--	458.31	395.81	42.77	--	438.58	19.73


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
6.(a) Investments		
(i) Investment in Equity Instrument		
Investment in Associates (Unquoted) (Cost)		
180,000 Fully Paid Up Equity shares of ₹ 100/- each of J.L. Growth Fund Limited (Previous Year 180,000)	1,684.80	1,684.80
Add: Accumulates profit from Associated Companies	<u>720.85</u>	<u>721.11</u>
	2,405.65	2,405.91
250,000 Fully Paid Up Equity shares of ₹ 100 each of Vardhman Investment Limited (Previous Year 250,000)	1,475.00	1,475.00
Add: Accumulates profit from Associated Companies	<u>206.69</u>	<u>195.60</u>
	1,681.69	1,670.60
164,000 Fully Paid Up Equity shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	1,066.00	1,066.00
Add: Accumulates profit from Associated Companies	<u>146.34</u>	<u>136.60</u>
	1,212.34	1,202.60
10,228,444 Fully Paid Up Equity shares of ₹ 10/- each of Cotton County Retail Limited (Previous Year 10,729,474)	3,793.12	3,978.92
Add: Accumulates profit from Associated Companies	<u>(38.30)</u>	<u>(0.84)</u>
	3,754.82	3,978.08
Sub-Total	<u>9,054.50</u>	<u>9,257.19</u>
(ii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Quoted)		
Nil Fully Paid Up Equity Shares of ₹ 5/- each of Nahar Spinning Mills Limited (Previous Year 2,356,930)	--	2,038.74
Nil Fully Paid Up Equity Shares of ₹ 5/- each of Nahar Poly Films Limited (Previous Year 1,264,720)	--	673.46
Nil Fully Paid Up Equity Shares of ₹ 5/- each of Nahar Capital & Financial Services Limited (Previous Year 1,363,221)	--	1,676.77
12,555 Fully Paid Up Equity Shares of ₹ 10/- each of Pasupati Acrylon Ltd. (Previous Year 12,555)	0.94	3.00
50 Fully Paid Up Equity shares of ₹ 10/- each of Malwa Cotton Mills Limited (Previous Year 50)	0.02	—
Sub- Total	<u>0.96</u>	<u>4,391.97</u>


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
(iii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Unquoted)		
30,900- Fully paid up Equity shares of ₹ 10/- each of BPL Engineering Ltd. (Previous Year 30,900)	2.80	2.80
22,500- Fully paid up Equity shares of ₹ 10/- each of Pertech Computer Ltd. (Previous Year 22,500)	0.23	0.23
7,700 Fully Paid up Equity shares of ₹ 10/- each of R.S. Petro Chemical Ltd. (Previous Year 7,700)	0.08	0.08
3,360- Fully paid up Equity shares of ₹ 100/- each of Nagdevi Trading & Investment Co. Ltd. (Previous Year 3,360)	0.51	0.51
3,558,786- Fully paid up Class-'A' Equity shares of ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,558,786)	0.36	0.36
One Fully paid up Equity share of ₹ 100/- each of Punjab State Co-operative Bank Ltd. (Previous Year One) (Cost ₹ 100)	--	--
One Fully paid up Equity shares of ₹ 5,000/- each of Krishna Building Owners Association (Previous Year One)	0.05	0.05
Sub-Total	4.03	4.03
(iv) INVESTMENT IN CUMMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted)		
At Amortised Cost		
3,156,958- Fully paid up Class 'A' 0.01% Cumulative Redeemable Preference Shares ₹10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,156,958)	128.08	115.39
Sub-Total	128.08	115.39
Total (i+ii+iii+iv)	9,187.57	13,768.58
1. Market Value of Quoted Investment	0.96	4,391.97
2. Aggregate amount of Unquoted Investment	9,186.61	9,376.61
3. Aggregate amount of Total Investment	9,187.57	13,768.58


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars		As at 31st March, 2019 (₹ in lacs)	As at 31st March, 2018 (₹ in lacs)
6b	Loans (Unsecured, considered good)		
	Security deposits	1,326.27	1,054.38
	Total	1,326.27	1,054.38
7	Other Non-Current Assets		
	Capital Advances	12.85	12.85
	Prepaid Lease Rentals	31.29	37.54
	Deferred Power Purchase Cost	105.88	119.70
	Prepaid Expense	4.15	5.77
	Total	154.17	175.86
8	Inventories (As taken, valued and approved by management)		
	Raw Materials	21,543.28	35,817.57
	Work-in-Progress	5,420.10	5,370.68
	Finished Goods	35,310.22	35,672.52
	Stores and Spares	3,622.50	3,427.30
	Total	65,896.10	80,288.07
8.1	Detail of Inventory-Finished Goods		
	Yarn	8,144.46	8,954.65
	Fabrics	12,372.66	12,865.77
	Sugar	14,179.69	13,232.00
	Other	613.41	620.10
	Total	35,310.22	35,672.52
9a	Trade receivables		
	Unsecured, considered good	24,196.08	18,012.24
	Total	24,196.08	18,012.24
9b	Cash and cash equivalents		
	Balances with banks - current accounts	30.89	38.03
	Cash-in-Hand	34.76	34.13
	Total	65.65	72.16
9c	Other bank balances		
	Unpaid Dividend Account	104.58	124.21
	Fixed deposit having original maturity more than 3 months but less than 12 months	4.27	4.02
	Total	108.85	128.23
9d	Loans		
	Loans to employees	59.02	83.60
	Total	59.02	83.60



Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
9e Other Financial assets		
Other Financial assets	0.12	0.16
Derivaive Asset	145.99	14.55
Government Grant Receivables	2,662.54	2,422.92
Total	2,808.65	2,437.63
10 Current Tax Assets (Net)		
Advance/TDS Certificate/Paid	180.41	--
Total	180.41	--
11 Other current assets		
Advances to suppliers	2,523.17	3,274.94
Advances to employees	60.89	62.73
Balance with government authorities	11,065.93	9,410.46
Prepaid expenses	592.70	333.35
Prepaid Lease rentals	6.26	6.26
Deferred Power Purchase Cost	13.82	13.82
Expense recoverable	75.44	2,197.71
Total	14,338.21	15,299.27
12 Equity Share Capital		
Authorised :		
50,000,000 Equity Shares of ₹ 10/- each (Previous Year 65,000,000)	5,000.00	6,500.00
10,000,000 Preference Shares ₹ 100/- each (Previous Year Nil)	10,000.00	--
Total	15,000.00	6,500.00
Issued, Subscribed and Fully Paid up :		
39,835,141 Equity Shares of ₹ 10/- each (Previous Year 39,835,141)	3,983.51	3,983.51
Add:Share Forfeited Account (Amount originally paid up)	19.91	19.91
Total	4,003.42	4,003.42
6,720,000 Unlisted 5.5% Non-Convertible Non-Cummulative Redeemable Preference Shares of ₹ 100/- each (Previous Year Nil)	*6,720.00	--
Total	6,720.00	--

* ₹ 2,429.01 Lacs shown as Equity Component of Compound financial instruments under the head Other Equity (note no. 13)

* ₹ 4,232.82 Lacs shown as Liability Component of Compound financial instruments under the head Borrowings (note no. 14a(ii))

* ₹ 63.75 Lacs being statutory fees paid was reduced and shown as net in Rate & Taxes in note no. 30b as per Ind-AS

* ₹ 5.58 Lacs shown as interest expense provided under the head finance cost as per Ind-AS (note no. 29)


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
a. Reconciliation of the number of Shares outstanding :		
Equity		
At the beginning of the year	39,835,141	39,835,141
Outstanding at the end of year	<u>39,835,141</u>	<u>39,835,141</u>
Preference		
At the beginning of the year	--	--
Add: Shares issued during the year	6,720,000	--
Outstanding at the end of year	<u>6,720,000</u>	<u>--</u>

b. Terms/rights attached to Shares:
Equity Shares:

The Company has only one class of Equity Shares having Face value of ₹ 10/- each. Holder of Equity Share is entitled to only one vote per share.

Preference Shares:

The Company has Issued 5.5% Unlisted Non-Convertible Non-Cummulative Redeemable Preference Shares of the face value of ₹ 100/- each (NCNCRPS).

NCNCRPS shall be redeemable at par within 5 years from date of allotment. Notwithstanding the foregoing, the Company will have the option to redeem the NCNCRPS after expiry of two years from the date of allotment during its tenure.

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

Shareholders	As At 31st March, 2019		As At 31st March, 2018	
	Number	% of holding	Number	% of holding
Equity Shares				
Nahar Capital & Financial Services Ltd.	9,336,745	23.44	9,336,745	23.44
J.L. Growth Fund Ltd.	3,421,836	8.59	3,421,836	8.59
Nahar Poly Films Ltd.	2,708,800	6.80	2,708,800	6.80
Vardhman Investment Ltd.	2,277,955	5.72	2,277,955	5.72
Oswal Woolen Mills Ltd.	2,094,819	5.26	2,094,819	5.26
Nagdevi Trading & Investment Co. Ltd.	2,273,625	5.71	2,273,625	5.71
Kovalam Investment & Trading Co. Ltd.	2,068,920	5.19	2,068,920	5.19
Preference Shares				
Cotton County Retail Ltd.	6,720,000	100.00	--	--


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
13. Other Equity		
Capital Reserve		
Balance as per last Balance Sheet	9,474.86	9,474.86
Less: Transfer to General Reserve	9,474.86	--
		9,474.86
Capital Redemption Reserve		
Balance as per last Balance Sheet	1,925.00	1,925.00
Less: Transfer to General Reserve	1,925.00	--
		1,925.00
Securities Premium		
Balance as per last Balance Sheet	33,454.08	33,454.08
Contingent Liability Reserve		
Balance as per last Balance Sheet	754.90	754.90
Less: Transfer to General Reserve	754.90	--
		754.90
Equity Component of Compound financial instruments (Preference Shares)	2,429.01	--
Corporate Social Responsibility Reserve		
Balance as per last Balance Sheet	68.52	--
Add: Transfer from Retained Earning	110.25	73.30
Less: Corporate social Responsibility Spent/Expenses	95.52	83.25
		4.78
68.52		
General Reserve		
Balance as per last Balance Sheet	20,801.54	20,092.90
Add: Transfer from Capital Reserve	9,474.86	--
Add: Transfer from Capital Redemption Reserve	1,925.00	--
Add: Transfer from Contingent Liability Reserve	754.90	--
Add: Transfer from Retained Earning	(2,709.38)	30,246.92
		708.64
20,801.54		
Retained Earnings		
Balance as per last Balance Sheet	--	--
Add: Profit/ (Loss) for the year	(2,170.48)	1,777.42
Add: Remeasurement gain/(loss) on defined benefit plan	251.10	238.59
Add: Other Comprehensive income	(679.75)	(754.63)
Less: Transfer to Corporate social Responsibility Reserve	110.25	73.30
Less : Proposed Dividend on Equity shares	--	398.35
Less : Corporate Dividend Tax	--	81.09
Balance Transferred to General Reserve	(2,709.38)	708.64
		--
Total	66,213.26	66,478.90


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
14a Borrowings		
*Term loans (Secured)		
From Banks	18,726.91	24,025.06
Others Unsecured		
i) Loans and advances from related parties	--	6,271.33
ii) Liability component of Compound financial instruments Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Share (NCNCRPS)	4,232.82	--
Total	22,959.73	30,296.39

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

Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 31st March, 2019.

14a.1 Terms of repayment of long term borrowings:
i) Terms of Repayment of term loans*

As At 31 st March, 2019 (₹ In Lacs)	Repayment Period from originaion (years)	Installments outstanding as on 31 st March 2019 No.	Periodicity
550.00	3.5	2	Quarterly
550.71	3.5	2	Quarterly
2,194.97	6	18	Quarterly
2,495.38	8	4	Quarterly
300.52	8	4	Quarterly
729.44	8	5	Quarterly
6,397.00	8	9	Quarterly
1,436.58	5	10	Quarterly
136.74	8	3	Quarterly
292.95	5	15	Quarterly
340.31	4	5	Quarterly
1,164.14	5	15	Quarterly
3,530.74	5	15	Quarterly
4,380.00	5	20	Quarterly
3,250.00	5	20	Quarterly
435.90	13.75	55	Quarterly
7.88	5	56	monthly
44.36	3	35	monthly
680.62	3	1,314	monthly
28,918.24			

- Figure of term loan stated in para 14a .1(i) includes current maturities of Long term debt shown separately in notes no. 18c and exclude ₹ 20.16 Lacs transaction cost amortised over the period of Term loan

- Term Loan from IDBI Bank Limited, State Bank of India, Allahabad Bank, Punjab & Sind Bank, Canara Bank ,Dena Bank and Corporation Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali; Industrial Focal Point, Phase-VIII, Village Mundian, Distt. Ludhiana, Village Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab); Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan); Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.

- Terms loans (secured) includes ₹ 732.86 Lacs as vehicle loan taken from Yes Bank & HDFC Bank against hypothecation of the respective Vehicles.

- ii) NCNCRPS shall be redeemable at par within 5 years from date of allotment. Not with standing the foregoing, the Company will have the option to redeem the NCNCRPS after expiry of two years from the date of allotment during its tenure.


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

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

14a.2 Terms of repayment of long term borrowings

i) Terms of Repayment of term loans*

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

* Figure of term loan stated in para 14a .1(i) includes current maturities of Long term debt shown seperately in notes no. 18c and exclude ₹ 27.50 Lacs transaction cost amortised over the period of Term loan

Term Loan from IDBI Bank Limited, State Bank of India , Allahabad Bank, Punjab & Sind Bank, Canara Bank , Dena Bank and Corporation Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali, Industrial Focal Point, Phase-VIII, Village Mundian, Distt. Ludhiana, Village Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.

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


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
14b Other Financial Liabilities		
Security deposit	73.17	388.74
Other Liabilities	--	317.54
Total	73.17	706.28
15 Provisions		
Provision for Gratuity	573.31	925.37
Total	573.31	925.37
16 Deferred Tax Liabilities (net)		
Deferred tax Liability		
Relating to Property, plant and equipment	2,263.34	1,898.57
Others	208.93	212.86
Deferred tax Assets		
Disallowance u/s 43B of the Income Tax Act, 1961, brought forward losses and others etc.	1,284.96	1,689.21
Total	1,187.31	422.22
17 Other Non-Current Liabilities		
Deferred Income	--	23.85
Total	--	23.85
18a Current Borrowings		
From Banks		
Loans repayable on demand	51,406.82	57,486.20
Total	51,406.82	57,486.20
18a.1	Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.	
18b Trade Payables		
Micro, Small and Medium Enterprises	186.92	--
Others	17,768.91	17,436.57
Total	17,955.83	17,436.57

18b.1 In response to the letters sent to the suppliers seeking to know the status of their coverage under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) the Company has received replies from some of the suppliers. Disclosures as required under Section 22 of the MSMED Act, 2006 are given below:

(₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	186.92	--
- Interest thereon	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
Particulars	As at 31st March, 2019	As at 31st March, 2018
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	--	--
The amount of interest accrued and remaining unpaid.	--	--
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	--	--
18c Other Financial Liabilities		
Unpaid dividend	104.58	124.21
Due to Employees	2,364.94	2,369.07
Current Maturities	10,171.17	9,228.34
Total	12,640.69	11,721.62
18c.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor's Education and Protection Fund.		
19 Other current Liabilities		
Statutory dues payables	387.80	379.66
Advance from customers	611.05	338.06
Deferred Income	--	23.78
Others	989.86	1,390.94
Total	1,988.71	2,132.44
20 Provisions		
Provision for Employee Benefits	6.78	6.27
Total	6.78	6.27
21 Current tax Liability (Net)		
Advance income Tax / TDS/TCS	--	285.06
Less Provision for Taxation	--	413.00
Total	--	127.94


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
22 Revenue from Operations		
a) Sale of Products	178,170.96	168,559.74
b) Sale of services	1,046.74	769.19
c) Miscellaneous sales	6,688.13	6,538.60
d) Other operating revenue Export Incentives	710.41	407.35
Total	186,616.24	176,274.88
22 a).1 Details of Products Sold		
Yarn	89,632.40	80,991.25
Fabrics	74,985.52	64,896.89
Sugar	13,196.12	20,468.07
Others	8,091.79	9,511.32
Total	185,905.83	175,867.53
23 Other Income		
Interest income	666.84	133.62
Dividend Income	38.56	62.13
Rental Income	41.63	44.15
Profit on sale of Fixed Assets	411.07	270.90
Profit on sale of investments	7.85	--
Others	92.43	99.27
Total	1,258.38	610.07
24 Cost of materials consumed		
Opening stock	35,817.57	26,180.14
Add : Purchases (Net)	86,759.51	112,548.86
Less: Closing Stock	21,543.28	35,817.57
Total	101,033.80	102,911.43
24.1 Detail of Cost of Material Consumed		
Fibres	83,053.77	79,812.29
Yarn	3,664.24	3,843.48
Sugarcane	13,151.37	16,469.91
Others	1,164.42	2,785.75
Total	101,033.80	102,911.43
25 Purchases of stock-in-trade		
Yarn	5,983.43	2,699.52
Fabrics	349.59	142.95
Fibre	1,671.61	1,924.43
Total	8,004.63	4,766.90
26 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	5,370.68	5,678.90
Finished Goods	35,672.52	29,794.75
Total	41,043.20	35,473.65
Less: Closing Stock		
Work-in-progress	5,420.10	5,370.68
Finished Goods	35,310.22	35,672.52
Total	40,730.32	41,043.20
Total	312.88	(5,569.55)


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
27 Excise Duty Expenses		
Excise Duty on sales	--	397.76
Total	--	397.76
28 Employee Benefits Expense		
Salary, Wages and Other Allowances	17,636.13	16,392.02
Contribution to provident and other funds	2,029.91	2,009.30
Staff welfare expenses	119.99	123.79
Staff Recruitment & Development expenses	13.54	25.95
Total	19,799.57	18,551.06
29 Finance cost		
Interest Expense	6,553.43	6,880.36
MTM loss/(gain) on forward Contracts	(131.44)	(48.26)
Other Borrowings Cost	289.85	241.04
Total	6,711.84	7,073.14
30 Other expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	14,550.35	13,292.94
Power and Fuel	24,195.64	22,025.99
Handling and Restacking charges	376.92	541.10
Machinery Repairs and Maintenance	666.16	648.24
Excise duty on stocks	--	(902.66)
Sub Total	39,789.07	35,605.61
b. Administrative & Other Expenses		
Rent	46.29	53.61
Rates & Taxes	131.98	133.36
Insurance	373.80	368.54
Legal & Professional Expenses	215.15	169.63
Travelling & Conveyance*	287.71	500.90
Vehicle Repair & Maintenance	1,745.31	848.86
Repairs and Maintenance	337.20	409.61
Payment To Auditor	14.07	14.46
Loss on Sale/Discard of Fixed Assets	11.14	16.55
Directors Remuneration	259.68	259.68
Directors' Meeting Fees	05.40	03.20
Charity & Donation	00.95	00.15
Miscellaneous Expenses	199.70	215.60
Sub Total	3,628.38	2,994.15
*Include Director Travelling of ₹ 29.34 Lacs (Previous Year ₹ 53.04 Lacs)		
c. Selling Expenses		
Forwarding and Octroi	619.63	872.85
Commission & Brokerage	879.81	598.47
Other Selling Expenses	324.04	325.42
Sub Total	1,823.48	1,796.74
Total (a+b+c)	45,240.93	40,396.50
30.1 Payment to Auditors		
As Auditor:		
Audit fee	9.21	9.21
Tax audit fee	3.29	3.29
In other capacity	0.91	1.28
Reimbursement of expenses	0.66	0.68
Total	14.07	14.46


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	Current Year (₹ in lacs)	Previous Year (₹ in lacs)
31 Tax Expense		
Current Tax	4.87	10.13
Deferred Tax	401.20	75.46
Total	406.07	85.59
31.1 Reconciliation of tax liability of book profit vis-a-vis actual Tax Liability		
Accounting Profit / (Loss) Before Tax	(1,764.40)	1,863.01
Enacted Tax Rate	34.944%	34.608%
Current Tax Expenses	(616.55)	644.75
Less: Reversal of deferred tax on temporary differences etc.	(1,022.63)	559.16
Income Tax Expenses reported in the statement of Profit & Loss	406.08	85.59
32) CONTINGENT LIABILITIES NOT PROVIDED FOR :		
a) Letter of Credits in favour of suppliers and others ₹ 6,369.95 Lacs (Previous Year ₹ 7,602.85 Lacs)		
b) Bank Guarantees in favour of suppliers and others ₹ 1,189.87 Lacs (Previous Year ₹ 1,532.79 Lacs)		
c) Sales tax demands against which the company has preferred appeals ₹ 57.74 Lacs (Previous Year ₹ 57.74 Lacs)		
d) Income tax demands against which the company has preferred appeals ₹ 1,308.26 Lacs (Previous Year ₹ 1,339.89 Lacs.)		
e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 571.84 Lacs on various matters under the Central Excise Rules (Previous Year ₹ 571.84 Lacs). The Company has filed suitable reply with the concerned authorities.		
f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 1,134.10 Lacs (Previous Year ₹ 426.73 Lacs) in favour of the President of India for fulfilment of its obligation under the rules made Central Excise Act, 1944 and Customs Act, 1962.		
g) Claims of ₹ 3,825.21 Lacs (Previous Year ₹ 3,680.22 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.		
h) Employees State Insurance corporation has raised demand of ₹ 124.62 Lacs (Previous Year ₹ 124.62 Lacs) The Company deposited ₹ 94.64 Lacs (Previous Year ₹ 94.64 Lacs) against the said demand. The company has filed the Civil Suit before the Civil Judge (Sr. Div.), ESI Court, Ludhiana		
i) The Company had received notice from the GST department vide its letter dated 24 th December, 2018 raising demand of ₹ 9.56 Lacs and the same was paid under protest dated 31 st January, 2019. The company was also searched by the GST department on 25th February, 2019 and denied the credit of GST taken by them thus have been arbitrarily forced to reverse the entry of GST credit in the books of accounts to the extent of ₹ 600 Lacs and forced to make the payment. The company is contesting for both the amounts of ₹ 9.56 lacs paid on dated 31 st January, 2019 and ₹ 600 lacs paid on dated 26 th February, 2019. Both the amounts has been shown as advances recoverable in cash or kind. The amount has been paid under protest and final treatment of this expense would be considered as and when the matter will be finally adjudicated.		
j) Company's share of contingencies of ₹ 14.39 Lacs (Previous Year ₹ 15.10 Lacs) in its associates for which the company is also contingently liable.		
33) Capital Commitment		
Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ 1,828.70 Lacs (Previous Year ₹ 5,911.33 Lacs).		
34)		
The Company has undertaken export obligations of ₹ 20,676.59 Lacs (Previous Year ₹ 40,671.89 Lacs) to export goods against the issuance of Import Licenses / Advance Licenses for the Import of Capital Goods and Raw Materials. Out of this, export obligations of ₹ 19,096.90 Lacs (Previous Year ₹ 39,092.20 Lacs) have been fulfilled up to 31 March, 2019.		


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

- 35) Against the foreign exchange liability, hedging contracts were entered with the bank and the liability under hedging contracts was in dispute which has now finally been settled and the company has paid total amount of ₹ 665.01 Lacs.
- 36) In the opinion of the Board of Directors, the Current Assets and Loans & Advances have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet, unless stated otherwise.
- 37) Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2019 for ₹ 4,020.99 Lacs (Previous Year ₹ 3,196.84 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.

38) Earnings Per Share (EPS) (Ind AS-33)

Particulars	2018-19	2017-18
Profit/loss after Tax (₹ in Lacs)	(2,170.48)	1,777.42
Weighted average no. of ordinary shares	39,835,141	39,835,141
Weighted average no. of diluted shares	39,835,141	39,835,141
Nominal value of ordinary share (₹)	10.00	10.00
Basic / Diluted Earning Per Share (₹)	(5.45)	4.46

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

	Textile		Sugar		Others		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Segment Revenue								
Total Revenue	172,056.39	154,036.56	14,513.84	22,400.39	129.27	255.01	186,699.50	176,691.96
Less: Inter Segment Revenue							793.67	824.43
Net Revenue							185,905.83	175,867.53
Segment Results								
Profit/ (Loss) before Interest, exceptional items & Tax	6,018.87	5,268.24	(89.60)	3,823.84	(316.82)	(155.93)	5,612.45	8,936.15
Less: Interest							6,711.84	7,073.14
Profit/ (Loss) before exceptional items & Tax							(1,099.39)	1,863.01
Less: Exceptional items							665.01	--
Profit/ (Loss) before Tax							(1,764.40)	1,863.01
Segment Assets	140,731.09	150,872.26	18,418.66	17,491.17	19,859.28	23,404.04	179,009.03	191,767.47
Segment Liabilities	59,182.44	68,259.58	14,286.91	11,214.09	1,004.79	1,864.53	74,474.14	81,338.20
Capital Employed								
Segment Assets- Segment Liabilities	81,548.65	82,612.68	4,131.75	6,277.08	18,854.49	21,539.51	104,534.89	110,429.27

40) Related Party Disclosures as required by IND AS-24 issued by the ICAI are as under: -

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

1 Associates

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

2 Key Management Personnel

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2019

3	Relatives of Key Management Personnel	<p>Mrs. Abhilash Oswal Mrs. Manisha Oswal Mrs. Ritu Oswal Mrs. Ruchika Oswal Mrs. Monika Oswal Mr. Rishab Oswal Mr. Abhinav Oswal</p>
4.	Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control	<p>Oswal Woollen Mills Ltd. Nahar Spinning Mills Ltd. Nahar Capital and Financial Services Ltd. Nahar Industrial Infrastructure Corporation Ltd. Monte Carlo Fashion Limited Nahar Poly Films Limited Kovlam Investment & Trading Co. Ltd. Sankheshwar Holding Co. Ltd. Vanaik Investors Ltd. Hug Foods Pvt. Ltd. Simran & Shanaya Co. Ltd. Sidhanth & Mannat Co. Ltd. Oswal Foundation (Regd.) Abhilash Growth Fund Pvt. Ltd.* Nahar Growth Fund Pvt. Ltd.* Neha Credit & Investment Ltd.* Nahar Financial & Investment Ltd.* Nagdevi Trading & Investment Co. Ltd.* Abrotex Apparels Pvt. Ltd. (formerly known as Retailerkart E-Venture Pvt Ltd.)* Palam Motels Ltd.* Vanaik Spinning Mills Ltd.* Monika Growth Fund Pvt. Ltd.* Ruchika Growth Fund Pvt. Ltd.* Girnar Investment Ltd.* Oswal Leasing Limited* Bermuda Insurance Brokers Pvt. Ltd.* Vigil Investment Pvt. Ltd.* Cabot Trading & Inv. Co. Pvt. Ltd.* Marble E-Retail Pvt. Ltd.* Survat Trading Co. Ltd.* Amloh Industries Limited* Crown Star Limited* White Tiger Breweries and Distilleries Ltd* Shri Atam Fabrics Ltd* Closet Trunk Pvt. Ltd.* Jawahar Lal Oswal Foundation* Monica Oswal Products Pvt. Ltd.* Oswal Denims Ltd.*</p>

* No transaction has taken place during the year



Consolidated Notes to Financial Statements for the year ended 31st March, 2019

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

Particulars	(₹ in Lacs)					
	Associates		Key Management		Enterprises in Which Key Manager Personnel and relative of such personal is able to exercise Significant influence or control	
	31 st MARCH 2019	31 st MARCH 2018	31 st MARCH 2019	31 st MARCH 2018	31 st MARCH 2019	31 st MARCH 2018
Purchase of goods	1.60	11.90	--	--	13,526.88	10,897.73
Sales of Goods	1,731.74	1,753.21	--	--	15,563.77	20,875.16
Purchase of fixed assets	0.62	--	--	--	3.18	19.08
Sale of fixed assets	--	--	--	--	49.25	--
Freight Income	0.02	3.56	--	--	704.37	503.57
Sale of FMP/FMS license	--	--	--	--	159.20	--
Processing charges received	--	--	--	--	62.64	26.94
Processing charges Paid	--	227.51	--	--	--	--
Interest Expenses	--	503.93	--	--	133.30	--
Interest Received	--	--	--	--	0.36	--
Rent received	14.75	15.57	15.00	15.00	1.77	8.59
Rent paid	25.72	25.72	--	--	--	--
Reimbursement of Expenses Received	103.98	9.08	--	--	117.89	115.98
Reimbursement of Expenses Paid	--	--	--	--	17.30	--
Sale of Investment	1,250.00	--	--	--	2,850.00	--
Dividend received	--	--	--	--	38.56	62.13
Dividend paid	--	73.91	--	0.01	--	199.19
Security Paid	400.00	--	--	--	--	--
Issuance of Preference Share	6,720.00	--	--	--	--	--
Director Meeting Fee	--	--	6.37	3.77	--	--
Remuneration	--	--	--	--	--	--
Loan received	493.67	365.77	--	--	--	52.24
Loan Paid	6,765.00	605.00	--	--	2,000.00	--
Corporate Social Responsibility	--	--	--	--	--	--
(CSR) Activities	--	--	--	--	68.52	--
Balance Receivable /(Payable) (net)	45.29	(6,349.71)	--	--	960.50	(981.70)
					53.70	--


Consolidated Notes to Financial Statements for the year ended 31st March, 2019
Remuneration of KMP

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
i) Short Terms Benefits	299.69 #	298.63 #
ii) Post Employment Benefits	43.40	40.16
Total	343.09	338.79

Included Remuneration paid to Vice Chairman-cum-Managing Director of ₹ 261.57 Lacs during the current year and ₹ 261.94 Lacs during the previous year.

The remuneration paid by the Company to its Vice Chairman-cum-Managing Director for year ended 31st March, 2019 is in excess by ₹ 81.42 lacs viz -a-viz the limits specified in section 197 of the Companies Act, 2013 read with Schedule V thereto as the Company does not have adequate profits. The Company is in the process of complying with prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders as necessary.

41) Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments – Company as lessee

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

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

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

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

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

Impairment of non-financial assets

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


Consolidated Notes to Financial Statements for the year ended 31st March, 2019
42) Post Retirement Benefits Plan (Ind AS 19)
Defined Benefit Plan

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

Particulars	31st March, 2019 (₹ In Lacs)	31st March, 2018 (₹ In Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	3,218.71	2,983.90
Interest cost	223.60	193.27
Current service cost	434.59	399.05
Past service cost-plan amendments	--	131.99
Actuarial loss/(gain) - Experience Changes	(241.53)	85.53
Actuarial loss/(gain) - Financial Assumption	(123.70)	(291.75)
Benefits paid	(394.31)	(283.28)
Present value obligation as at the end of the year	<u>3,117.36</u>	<u>3,218.71</u>
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,293.34	2,341.90
Interest income on plan assets	171.86	151.35
Employer Contributions	452.42	51.00
Return on plan assets greater/(lesser) than discount Rates	20.74	32.37
Benefits paid	(394.31)	(283.28)
Fair value of plan assets as at the end of the year	<u>2,544.05</u>	<u>2,293.34</u>
Breakup of Actuarial gain/loss:		
Actuarial (gain)/loss on arising from change in financial assumption	(123.70)	(291.75)
Actuarial (gain)/loss on arising from experience adjustment	(241.53)	85.53
Return on plan assets (greater)/less than discount rate	(20.74)	(32.37)
	<u>(385.97)</u>	<u>(238.59)</u>
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	3,117.36	3,218.71
Fair value of plan assets as at the end of the year	2,544.05	2,293.34
Net Asset/(Liability) in Balance Sheet	<u>(573.31)</u>	<u>(925.37)</u>


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31 st March, 2019 (₹ in lacs)	As at 31 st March, 2018 (₹ in lacs)
Amount recognized in the statement of profit and loss		
Current service cost	434.59	399.05
Past service cost-plan amendments	--	131.99
Interest cost	223.60	193.27
Interest Income on plan assets	(171.86)	(151.35)
(Income)/Expense recognized in the statement of profit and loss	486.33	572.96
Remeasurements recognized in the statement of Other Comprehensive Income (OCI)		
Experience Adjustments	(241.53)	85.53
Changes in Financial Assumptions	(123.70)	(291.75)
Return on plan assets (greater)/lesser than discount Rates	(20.74)	(32.37)
Net Loss /(Gain) recognized in other comprehensive income	(385.97)	(238.59)
Plan assets information		
Insurer Manage Funds	100%	100%
Actuarial assumptions		
Discount rate	7.10%	7.40%
Salary Escalation Rate	8.00%	9.00%
Employee turnover Rate	12.00%	12.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult. Modified	Indian Assured Lives Mortality (2006-08) Ult. Modified

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

Sensitivity analysis for gratuity liability

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

Impact of the change in discount rate

a) Impact due to increase of 0.50%	(88.35)	(86.44)
b) Impact due to decrease of 0.50%	93.55	95.84

Impact of change in salary Escalation Rate

a) Impact due to increase of 0.50%	89.67	92.57
b) Impact due to decrease of 0.50%	(86.02)	(84.47)

Impact of change in Employee turnover Rate

a) Impact due to increase of 0.50%	(64.76)	(95.57)
b) Impact due to decrease of 0.50%	90.27	148.48

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


Consolidated Notes to Financial Statements for the year ended 31st March, 2019
Expected Future cash flow

The expected future cash flow in respect of gratuity as at 31st March, 2019 were as follows

Expected contribution

The expected future employer contributions for defined benefit plan as at 31st March, 2019 (for the year ended 31st March, 2020 i.e. ₹ 573.31 Lacs)

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

Gratuity 6 Years 6 Years

The following are the expected future benefits payments for the defined benefit plan :

	(₹ in Lacs)	
Particulars	31st March, 2019	31st March, 2018
Description		
March 31, 2019	--	497.23
March 31, 2020	482.60	418.05
March 31, 2021	415.40	445.23
March 31, 2022	418.63	466.05
March 31, 2023	466.22	518.36
March 31, 2024	530.67	--
March 31, 2024 to March 31, 2028	--	3,075.55
March 31, 2025 to March 31, 2029	2,843.48	--

43) Fair Value Measurement
(a) Financial Instruments by category and hierarchy

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

	As At 31st March, 2019			As At 31st March, 2018		
Particulars	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment						
-Equity instruments	--	04.99	--	--	4,396.00	--
-Preference Shares	--	--	128.08	--	--	115.39
Loans (Non Current)	--	--	1,326.27	--	--	1,054.38
Trade receivables	--	--	24,196.08	--	--	18,012.24
Cash and cash equivalents	--	--	65.65	--	--	72.16
Other Bank Balance	--	--	108.85	--	--	128.23
Loans (Current)	--	--	59.02	--	--	83.60
Other financial assets	145.99	--	2,662.66	14.55	--	2,423.08
Total Financial Assets	145.99	04.99	28,546.61	14.55	4,396.00	21,889.08



Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings (Non Current)	--	--	22,959.73	--	--	30,296.39
Security deposit	--	--	73.17	--	--	388.74
Other Liabilities	--	--	--	--	--	317.54
Borrowings (Current)	--	--	51,406.82	--	--	57,486.20
Trade payable	--	--	17,955.83	--	--	17,436.57
Unpaid dividend	--	--	104.58	--	--	124.21
Due to Employees	--	--	2,364.94	--	--	2,369.07
Current Maturities	--	--	10,171.17	--	--	9,228.34
Total Financial Liabilities	--	--	105,036.24	--	--	117,647.06

(b) Fair value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standards. An explanation of each level follows under the table.

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

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments	00.96	--	04.03	4,391.97	--	04.03
Other Financial Asset (Derivative Asset)	145.99	--	--	14.55	--	--
Total	146.95	--	04.03	4,406.52	--	04.03
Financial liabilities						
Derivative Liability	--	--	--	--	--	--
Total	--	--	--	--	--	--

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

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Preference Shares	--	--	128.08	--	--	115.39
Loans (Non Current)	--	--	1,326.27	--	--	1,054.38
Trade receivables	--	--	24,196.08	--	--	18,012.24
Cash and cash equivalents	--	--	65.65	--	--	72.16
Other Bank Balance	--	--	108.85	--	--	128.23
Loans (Current)	--	--	59.02	--	--	83.60
Other financial assets	--	--	2,662.66	--	--	2,423.08
Total Financial assets	--	--	28,546.61	--	--	21,889.08


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Borrowings (Non Current)	--	--	22,959.73	--	--	30,296.39
Security deposit	--	--	73.17	--	--	388.74
Other Liabilities	--	--	--	--	--	317.54
Borrowings (Current)	--	--	51,406.82	--	--	57,486.20
Trade payable	--	--	17,955.83	--	--	17,436.57
Unpaid dividend	--	--	104.58	--	--	124.21
Due to Employees	--	--	2,364.94	--	--	2,369.07
Current Maturities	--	--	10,171.17	--	--	9,228.34
Total Financial Liabilities	--	--	105,036.24	--	--	117,647.06

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

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

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

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Preference Share	128.08	128.08	115.39	115.39
Loans	1,326.27	1,326.27	1,054.38	1,054.38
Total	1,454.35	1,454.35	1,169.77	1,169.77
Financial liabilities				
Borrowings	22,959.73	22,959.73	30,296.39	30,296.39
Security deposit	73.17	73.17	388.74	388.74
Total	23,032.90	23,032.90	30,685.13	30,685.13


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

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

44) Financial risk management objectives 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 investment loans, trade other receivables, cash & cash equivalents and other bank balances that derive directly from its operations.

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

(A) Market risk

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

a) Interest rate risk

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

Particulars	As at 31st March, 2019 (₹ in Lacs)	As at 31st March, 2018 (₹ in Lacs)
Variable rate borrowings	80,304.90	90,739.60
Fixed rate borrowings	4,232.82	6,271.33
Total	<u>84,537.72</u>	<u>97,010.93</u>

Interest rate sensitivity

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


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Particulars	Effect on Profit Before Tax	
	As at 31st March, 2019 (₹ in Lacs)	As at 31st March, 2018 (₹ in Lacs)
Increase by 50 basis points	(401.52)	(453.70)
Decrease by 50 basis points	401.52	453.70

b) Foreign currency risks

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

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

Particulars	Spot Rate			
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019 (₹ In Lacs)	As at 31st March, 2018 (₹ In Lacs)
Trade Payable				
-USD 1	69.93	65.80	76.56	65.24
-EUR 1	79.02	81.26	21.03	12.02
-JPY 100	00.63	00.62	--	00.08
-CHF 1	70.82	69.26	11.23	01.22

Foreign currency sensitivity

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

Particulars	Effect on Profit Before Tax	
	As at 31st March, 2019 (₹ In Lacs)	As at 31st March, 2018 (₹ In Lacs)
USD Sensitivity		
Decrease by 5%	03.83	03.26
Increase by 5%	(03.83)	(03.26)
EUR Sensitivity		
Decrease by 5%	01.05	00.60
Increase by 5%	(01.05)	(00.60)
JPY Sensitivity		
Decrease by 5%	--	--
Increase by 5%	--	--
CHF Sensitivity		
Decrease by 5%	00.56	00.06
Increase by 5%	(00.56)	(00.06)


Consolidated Notes to Financial Statements for the year ended 31st March, 2019
a) Foreign Currency Exposure (Forward Booking)

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

Category wise Quantitative Data Type Contract	As at 31st March, 2019 (₹ In Lacs)	As at 31st March, 2018 (₹ In Lacs)
Forward contracts against exports (US \$)	2,724.04	1,349.91
Forward contracts against imports (US \$)	609.82	1,975.89

B) Credit risk

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

Credit risk management

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

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

Financial assets that expose the entity to credit risk :

Particulars	As at 31st March, 2019 (₹ In Lacs)	As at 31st March, 2018 (₹ In Lacs)
Low credit risk on reporting date		
Investments	9,187.57	13,768.58
Loans(non-current)	1,326.27	1,054.38
Trade receivables	24,196.08	18,012.24
Cash and cash equivalents	65.65	72.16
Other bank balances	108.85	128.23
Loans(current)	59.02	83.60
Other financial asset	2,808.65	2,437.63
Total	<u>37,752.09</u>	<u>35,556.82</u>

Moderate credit risk

--

--

High credit risk

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--

Cash & cash equivalents and bank deposits

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

Trade receivables

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


Consolidated Notes to Financial Statements for the year ended 31st March, 2019

Gross carrying amount of trade receivables			(₹ In lacs)
Particulars	As At	As At	
	31st March, 2019	31st March, 2018	
Ageing			
Not Due	22,219.50		16,975.03
0-60 days past due	1,136.92		673.45
61-120 days past due	224.99		148.55
121-180 days past due	141.13		20.22
181-365 days past due	278.78		90.98
More than 365 Days past due	194.76		104.01

Other financial assets measured at amortised cost

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

(C) Liquidity risk

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

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

Particulars	As At	As At
	31st March, 2019	31st March, 2018
Floating rate		
(a) Expiring within one year		
(Bank overdraft and other facilities)		
Secured : Cash credit facilities	11,593.19	5,513.80
(b) Expiring beyond one year (Bank loans)		
Secured : Undraw Rupees term loan from banks	426.10	3,762.00
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -		
		(₹ in Lacs)

Particulars	0-1	1-2	2-5	More than	Total
	Years	Years	Years	5 Years	
Year ended 31 March, 2019					
Contractual maturities of borrowings	61,557.83	6,531.04	11,948.79	267.24	80,304.90
5.5% Non convertible no cumulative Redeemable Preference Share (Unsecured)	--	--	4,232.82	--	4,232.82
Contractual maturities of Trade payable	17,955.83	--	--	--	17,955.83
Contractual maturities of security deposit received	--	73.17	--	--	73.17
Contractual maturities of other financial liabilities	2,364.94	--	--	--	2,364.94
Unpaid Dividend	104.58	--	--	--	104.58
Total	81,983.18	6,604.21	16,181.61	267.24	105,036.24
					(₹ in Lacs)

Particulars	0-1	1-2	2-5	More than	Total
	Years	Years	Years	5 Years	
Year ended 31 March, 2018					
Contractual maturities of borrowings	66,687.06	9,563.10	13,364.34	1,125.10	90,739.60
Loans and advances from related parties(Unsecured)	--	--	6,271.33	--	6,271.33
Contractual maturities of Trade payable	17,436.57	--	--	--	17,436.57
Contractual maturities of security deposit received	--	64.18	324.56	--	388.74
Contractual maturities of other financial liabilities	2,369.07	317.54	--	--	2,686.61
Unpaid Dividend	124.21	--	--	--	124.21
Total	86,616.91	9,944.82	19,960.23	1,125.10	117,647.06


Consolidated Notes to Financial Statements for the year ended 31st March, 2019
45) Dividend distribution made and proposed (₹ in Lacs)

Particulars	As At 31st March, 2019	As At 31st March, 2018
Cash dividend on equity shares declared and paid :		
Final dividend for year ended March 31, 2018 : Nil per share (March 31, 2017 : ₹ 1 per share)	--	398.35
Dividend distribution tax on final dividend	--	81.09
Total	--	479.44

The Company did not propose dividend on equity shares for the year ended 31st March, 2019.

46) Capital Management

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

Particulars	As At 31 st March, 2019	As at 31 st March, 2018
Borrowings	84,537.72	97,010.93
Trade payables	17,955.83	17,436.57
Less: Cash and cash equivalents	174.50	200.39
Net debt (A)	102,319.05	114,247.11
Equity (B)	70,216.68	70,482.32
Capital and net debt (A+B)	172,535.73	184,729.43
Gearing ratio	59.30	61.85

47) The Company is covered under the provision of the section 135 of the Companies Act, 2013
(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
The Amount required to be spent (incl. opening balance)	178.77	73.30
The Amount spent	95.52	4.78

In accordance with the provisions of section 135 of the Companies Act 2013, the board of directors of the company had constituted a CSR committee. The company had decided to carry out its CSR activities through a consortium formed by group companies. As per actual expenditure of consortium on approved CSR activities as approved by members, the company, year to year, either contribute or make provision for CSR activities proposed to be undertaken by consortium. The company in the previous year has set apart its CSR ₹ 68.52 Lacs for F.Y 2017-18 which has been paid during this year to M/s. Oswal Foundation, Ludhiana, through whom consortium has been doing its CSR activities and as against the current year's obligation of ₹ 110.25 lacs, a sum of ₹ 27.00 lacs has also been spent directly on CSR activities and thus treated as utilized as per the requirement. In the meantime unspent amount of the CSR obligation of ₹ 83.25 lacs (previous year ₹ 68.52 lacs) has been set apart towards CSR reserve. Presently CSR activities are being done in the field of medical facilities for poor and needy people on charitable basis through recognized charitable medical institution.

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

Particulars	Long-term borrowing (including current maturities)	Short-term borrowing	Total
As at 1st April, 2018	39,524.73	57,486.20	97,010.93
Cash flows :			
Proceeds from borrowings	5,596.96	2,000.00	7,596.96
Proceeds from Issue of Preference Share	6,720.00	--	6,720.00
Repayment of borrowings	(16,230.95)	(8,079.38)	(24,310.33)
Ind AS Adjustment:			
Impact of adjustment on borrowings / preference shares	(50.83)	--	(50.83)
Equity Component of Preference Share	(2,429.01)	--	(2,429.01)
As at 31st March, 2019	33,130.90	51,406.82	84,537.72

49) Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2019

50. Details of Associates

Section 129(3) of the Companies Act, 2013, requires preparation of consolidated financial statement of the Group and of all the associate companies in the same form and manner as that of its own. Indian Accounting Standard (Ind AS) 28 on Investments in Associates and Joint Ventures defines Associate Group as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 percent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

(a) Investments in Associates are accounted for using the equity method in Consolidated Financial Statements.

Name of Entity	% of Ownership interest (31st March, 2019)	% of Ownership interest (31st March, 2018)	Relationship	Accounting method	Proportion of Ownership Interest	
					As At 31st March, 2019 (₹ In Lacs)	As At 31st March, 2018 (₹ In Lacs)
J.L Growth Fund Limited	41.10%	41.10%	Associate	Equity Method	2,405.65	2,405.91
Vardhman Investment Limited.	47.17%	47.17%	Associate	Equity Method	1,681.69	1,670.60
Attam vallabh Financiers Limited	36.85%	36.85%	Associate	Equity Method	1,212.34	1,202.60
Cotton County Retail Limited	47.66%	49.99%	Associate	Equity Method	3,754.82	3,978.08
Total Equity Accounted Investment					9,054.50	9,257.19

(b) Summarised Financial information of the associates. The information disclosed reflects the amounts presented in the financial statement of the relevant associates by using Equity method.

PARTICULARS	J.L Growth Fund Limited As at 31st March 2019 (₹ In Lacs)	Vardhman Investment Limited As at 31st March 2019 (₹ In Lacs)	Attam vallabh Financiers Limited As at 31st March 2019 (₹ In Lacs)	Cotton County Retail Limited As at 31st March 2019 (₹ In Lacs)
Non-Current Assets	4,941.16	3,384.76	3,074.93	6,926.67
Current Assets				
Cash and Cash equivalents	4.55	0.60	0.94	153.65
Other Assets	71.69	49.35	39.22	1,455.93
Total Assets	5,017.40	3,434.70	3,115.09	8,536.25
Non-Current Liabilities				
Current Liabilities	0.17	5.81	6.07	317.36
Total Liabilities	0.17	5.81	6.07	317.36

(c) Summarised statement of profit and loss

PARTICULARS	J.L Growth Fund Limited As at 31st March 2019 (₹ In Lacs)	Vardhman Investment Limited As at 31st March 2019 (₹ In Lacs)	Attam vallabh Financiers Limited As at 31st March 2019 (₹ In Lacs)	Cotton County Retail Limited As at 31st March 2019 (₹ In Lacs)
Revenue	31.97	8.78	10.82	4,683.39
Interest Income	37.38	25.02	24.82	4.54
Depreciation and amortisation	(11.19)	--	--	(40.07)
Interest Expense	--	--	--	(0.58)
Tax Expense	--	(5.67)	(5.95)	--
Profit and loss for the period	(0.63)	23.50	26.44	(78.67)
Other Comprehensive Income	--	--	--	--
Total Comprehensive Income	(0.63)	23.50	26.44	(78.67)


Consolidated Notes to Financial Statements for the year ended 31st March, 2019
(d) Movement of Investment using equity Method

Particulars	31st March 2019 (₹ in Lacs)	31st March 2018 (₹ in Lacs)
(a) J.L. Growth Fund Limited		
Opening balance of interest in associates	2,405.91	2,373.26
Add:- Share of profit/(loss) for the period	(0.26)	32.65
Closing Balance of interest in associates	<u>2,405.65</u>	<u>2,405.91</u>
(b) Vardhman Investment Limited.		
Opening balance of interest in associates	1,670.60	1,646.83
Add:- Share of profit for the period	11.09	23.77
Closing Balance of interest in associates	<u>1,681.69</u>	<u>1,670.60</u>
(c) Attam vallabh Financiers Limited		
Opening balance of interest in associates	1,202.60	1,185.54
Add:- Share of profit for the period	9.74	17.06
Closing Balance of interest in associates	<u>1,212.34</u>	<u>1,202.60</u>
(d) Cotton County Retail Limited		
Opening balance of interest in associates	3,978.08	3,979.49
Less sale of investment	(185.77)	--
Add:- Share of profit/(loss) for the period	(37.49)	(1.41)
Closing Balance of interest in associates	<u>3,754.82</u>	<u>3,978.08</u>


AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part “A”: Subsidiaries

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

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

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

PART “B”: Associates and Joint Ventures

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

Name of Associates	Cotton County Retail Limited	J L Growth Fund Ltd	Vardhman Investment Ltd.	Atam Vallabh Financiers Ltd.
1 Latest Audited Balance Sheet Date	31.03.2019	31.03.2019	31.03.2019	31.03.2019
2 Shares of Associate held by the Company on the year end				
No. of Shares	10,228,444	180,000	250,000	164,000
Amount of Investment in Associates (₹ In lacs)	3,793.12	1,684.80	1,475.00	1,066.00
Extent of holding %	47.66	41.10	47.17	36.85
3 Description of how there is significant influence	(i) There is significant influence due to percentage (%) of Share Capital. (ii) The above statement also indicate performance and financial position of each associate companies.			
4 Reason why associate is not consolidated	Not Applicable			
5 Net Worth attributable to shareholding as per latest audited Balance Sheet (₹ in Lacs)	3,917.12	2,062.08	1,617.40	1,145.67
6 Profit/loss for the year After Tax (₹ in Lacs)				
Considered in consolidation	(37.49)	(0.26)	11.09	9.74
Not considered in consolidation				

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

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

Place: Ludhiana
Dated: 30th May, 2019

**NAHAR INDUSTRIAL ENTERPRISES LIMITED**

Annual Report 2018-19

NAHAR INDUSTRIAL ENTERPRISES LIMITED

Registered Office: Focal Point, Ludhiana - 141010

CIN: L15143PB1983PLC018321; Website: www.ownnahar.com

Email: msod@ownnahar.com ; share@ownnahar.com

Ph. 0161-2672590, 2672591; Fax No. 0161-2674072

BALLOT FORM

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

I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 35th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2019 by sending my / our assent or dissent to the said Resolutions by placing the tick () mark at the appropriate box below:

Item No.	Resolution	No. of Shares	I/We assent to the Resolution(For)	I/We dissent from the Resolution (Against)
1.	To receive, consider and adopt: (a) the Audited Financial Statements of the Company for the financial year ended on 31st March, 2019 and the Reports of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2019 and the Reports of Auditors thereon.			
2.	To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
3.	To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
4.	To approve the remuneration of cost auditor for the financial year 2019-20			
5.	To approve alteration and increase of the existing Authorized Share Capital of the company			
6.	To change Articles No. 4 of the Articles of Association			
7.	To issue and offer Non-Convertible Non-Cumulative Redeemable Preference Shares on a Preferential basis			
8.	To vary the terms of redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares			
9.	To substitute and insert Article No. 170A in the Articles of Association			
10.	To approve remuneration to Sh. Kamal Oswal, Managing Director of the company			
11.	To sell, lease or otherwise dispose of Spinning Unit of the company			

Place: _____

Date: _____

Signature of the Member / Authorized Representative

**Instructions:**

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

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

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. P.S.Bathla & Associates, Practicing Company Secretary (Membership No. 2585) at the Registered office of the Company.
2. The Form should be signed by the Member as per the specimen signatures registered with the Company / Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the Registration Number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
3. In case of shares are held by the companies, trusts, societies etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick () mark in to column provided in the Ballot.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 23rd September, 2019 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 29th September, 2019 (5.00 P.M.). Ballot Form received after 29th September, 2019 will be strictly treated as if the reply from the Members has not been received.
7. A member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in the Serial No. 6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favor or against or if the signatures cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
10. The results declared along with Scrutinizer's Report, shall be placed on the Company's website i.e. www.ownnahar.com and on the website of the Central Depository Services (India) Ltd. within two days of the passing of the Resolutions at the AGM of the Company on 30th September, 2019, and communicated to the BSE Limited and National Stock Exchange of India Ltd., where the shares of the Company are listed.

**NAHAR INDUSTRIAL ENTERPRISES LIMITED****Annual Report 2018-19****NAHAR INDUSTRIAL ENTERPRISES LIMITED**

Registered Office: Focal Point, Ludhiana - 141010, Punjab

CIN: L15143PB1983PLC018321

ATTENDANCE SLIP

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

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

I / We hereby record my / our presence at the 35th Annual General Meeting of the Company being held on Monday, the 30th day of September, 2019 at 10.00 a.m. at the Registered Office of the Company at Focal Point, Ludhiana - 141010, Punjab.

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

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

Signature of the Proxyholder _____

* Applicable for investors holding shares in electronic form.

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

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NAHAR INDUSTRIAL ENTERPRISES LIMITED

[Pursuant to section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-11**PROXY FORM**

CIN: L15143PB1983PLC018321

Name of the Company: NAHAR INDUSTRIAL ENTERPRISES LIMITED**Registered office: Focal Point, Ludhiana - 141010, Punjab**

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

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

1. Name Address

Email Id Signaturesor failing him

2. Name Address.....

Email Id Signaturesor failing him

3. Name Address

Email Id Signatures

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 35th Annual General Meeting of the company, to be held on Monday, the 30th day of September, 2019 at 10.00 a.m. at the Registered Office of the Company at Focal Point, Ludhiana - 141010, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below:



Item No.	Resolution	Optional*	
		(For)	(Against)
1.	To receive, consider and adopt: (a) the Audited Financial Statements of the Company for the financial year ended on 31st March, 2019 and Reports of the Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2019 and Report of the Auditors thereon.		
2.	To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
3.	To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
4.	To approve the remuneration of cost auditor for the financial year 2019-20.		
5.	To approve alteration and increase of the existing Authorized Share Capital of the company		
6.	To change Articles No. 4 of the Articles of Association		
7.	To issue and offer Non-Convertible Non-Cumulative Redeemable Preference Shares on a Preferential basis		
8.	To vary the terms of redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares		
9.	To substitute and insert Article No. 170A in the Articles of Association		
10.	To approve remuneration to Sh. Kamal Oswal, Managing Director of the company		
11.	To sell, lease or otherwise dispose of Spinning Unit of the company		

Signed this..... day of 2019

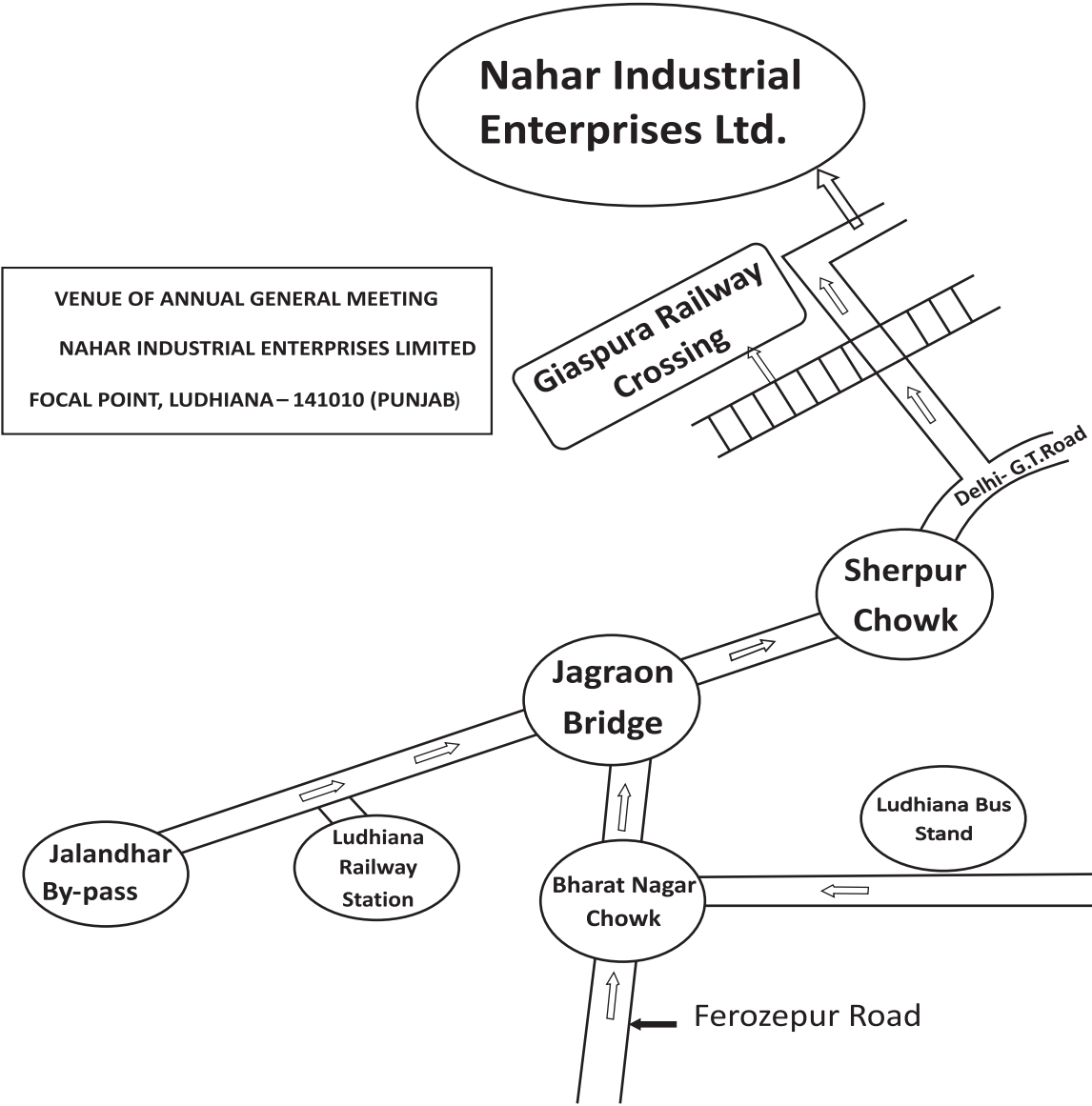
Signature of shareholder:

Signature of Proxy holder(s):

Affix
Re.1/-
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 35th Annual General Meeting.
3. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



Through Courier
(Printed Matter)

If undelivered, please return to :

NAHAR INDUSTRIAL ENTERPRISES LIMITED

Regd. Office : Focal Point,
Ludhiana 141 010

Printed at : Macro Print Pack
Ph. : +91 98150 - 00749