



NIEL:SCY:

Dated: 06.10.2016

BSE Limited
(Department of Corporate Services)
Floor 25, P J Towers,
Dalal Street, Fort, MUMBAI 400001
(519136)

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra East MUMBAI 400051
(NAHARINDUS)

**Reg: Annual Report for the Financial Year 2015-16 under Regulation 34 of
SEBI (LODR) 2015**

Dear Sir,

Please find attached herewith Annual Report of the Company for the financial year 2015-16 duly approved and adopted by the members in the Annual General Meeting held on 30.09.2016.

Please take on record of the same.

Thanking you,

Yours faithfully,
For NAHAR INDUSTRIAL ENTERPRISES LIMITED


COMPANY SECRETARY
Encl: As above



The Nahar Group

32ND
ANNUAL REPORT
2015-16



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. Yash Paul Sachdeva, Independent Director
Dr. Amrik Singh Sohi, Independent Director
Sh. Ajit Singh Chatha, IAS (Retd.), Independent Director
Dr. Vijay Asdhir, Independent Director

CHIEF FINANCIAL OFFICER

Sh. Bharat Bhushan Gupta

COMPANY SECRETARY

Sh. Mukesh Sood

AUDITORS

M/s. Raj Gupta & Co., Chartered Accountants,
549/10, Sutlej Tower, Opp. Petrol Pump,
Near Fountain Chowk, Ludhiana-141001

BANKERS

State Bank of Patiala	Canara Bank
Punjab National Bank	Allahabad Bank
Punjab & Sind Bank	State Bank of India
Indian Overseas Bank	IDBI Bank Ltd.
Corporation Bank	

REGISTERED OFFICE

Focal Point, Ludhiana -141010

Website: www.ownahar.com

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

CORPORATE IDENTITY NUMBER (CIN): L15143PB1983PLC018321

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Performance at a glance

(₹ In Lacs)

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Gross sales/operating income	141,196.74	171,631.39	185,456.65	180,740.09	178,264.28
Exports	13,033.58	25,673.24	26,439.93	19,403.45	21,694.07
Net Profit	(8,075.56)	4,184.48	6,924.75	(2,800.68)	4,289.56
Cash Accruals	(2,479.14)	17,247.74	22,538.30	10,000.36	14,586.65
Gross Block including CWIP	165,084.74	173,708.08	183,786.80	188,827.33	189,560.96
Net Block including CWIP	78,992.57	77,881.62	76,945.85	65,460.35	57,522.41
Equity Share Capital	4,003.42	4,003.42	4,003.42	4,003.42	4,003.42
Net Worth	53,917.47	57,638.98	64,094.60	57,945.48	61,755.60
Capital Employed	120,314.26	128,666.43	131,569.45	116,497.44	107,535.73
Debt Equity Ratio	1.01	0.96	0.74	0.73	0.57
Current Ratio	1.25	1.31	1.32	1.32	1.38
Book Value per share (₹)	135.35	144.69	160.90	145.46	155.03
Earning per share (₹) [Basic]	(19.99)	10.50	17.38	(7.03)	10.77

The Journey

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

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Your company has joined the MCA in its environmental friendly initiative. The company would send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register / update their latest e-mail addresses with the Depository Participants (D.P.) with whom they are having Demat Account or send the same to the Company via e-mail at : msood@owmnahar.com or share@owmnahar.com

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

**NOTICE**

Notice is hereby given that the **32nd Annual General Meeting** of the members of Nahar Industrial Enterprises Limited will be held on **Friday, the 30th day of September, 2016 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, 2016 along with Reports of the Auditors and Directors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2016 along with Report of the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended on 31st March, 2016
3. To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
4. To appoint a director in place of Sh. Navdeep Sharma (DIN:00454285), who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
5. To appoint Auditors of the Company for the financial year 2016-17 and fix their remuneration and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s.Raj Gupta & Co., Chartered Accountants, (Firm Registration No. 000203N), the retiring auditors be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company at such remuneration and other expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Ramanath Iyer & Co., Cost Accountants, (Firm Registration No. 000019) who has been appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost accounting records of the Company for Textile and Sugar segments for the financial year ending 31st March, 2017, the company do hereby confirm and ratify the remuneration of ₹ 2,70,000/- (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."

7. **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 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any, the approval of the members of the Company be and is hereby given that Sh. Kamal Oswal (DIN: 00493213), who was reappointed as the Managing Director of the Company in the 28th Annual General Meeting held on 29th September, 2012 be paid remuneration w.e.f. 1st April, 2016 up to the remaining period of his tenure i.e. 31st January, 2018, by way of Salary, perquisites, allowances and commission as mentioned below subject to the overall maximum managerial remuneration calculated in the manner as provided under the Companies Act, 2013 and rules framed thereunder with liberty to the Board of Directors to alter and vary the terms and conditions of appointment/ remuneration:

1. **Salary** - Rs. 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 here-in-above family means the spouse, the dependent children and dependant parents of the appointee.

"RESOLVED FURTHER THAT the consent of the members be and is hereby given that in the event of any loss or inadequacy of profits in any financial year during his remaining tenure, the Company shall pay Mr. Kamal Oswal, the remuneration by way of salary, perquisites or any other allowances within the limits specified in schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable in order to give effect to the above resolution."

8. To Consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent and approval of the Company be and is hereby accorded to the Board of Directors to enter into an Agreement/Contracts/Transaction with Related Parties namely Oswal Woollen Mills Ltd., Cotton County Retail Ltd, Nahar Spinning Mills Ltd., Monte Carlo Fashions Ltd. and Vanaik Spinning Mills Ltd. for sale and purchase of yarn, fabrics, garments and job work etc. for a period of five years w.e.f. 1st April, 2017 which may be renewed with the mutual consent of the parties."

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

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 29th August, 2016

Mukesh Sood
Company Secretary

NOTES:

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

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

percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 17th September, 2016 to 30th September, 2016 (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 2015-16 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 appointed / 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, the Share Transfer Agent for both physical and demat segment of equity shares. Please quote on all correspondence - Unit: Nahar Industrial Enterprises Limited.
- 10. Members are hereby informed that dividends, which remain unclaimed / unpaid over a period of seven years, have to be transferred by the company to the Investor Education & Protection Fund constituted by the Central Government under section 205(A) & 205(C)**



of Companies Act, 1956. The unclaimed / unpaid amount of dividend for the financial year 2008-09 onwards will be transferred to the above mentioned fund from 4.10.2016 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 Company provides the facility of Electronic Clearing Service (ECS) for payment of Dividend. The shareholders holding equity shares in physical form and who wish to avail ECS facility may intimate ECS mandate to the Company's Share Department / RTA immediately.
- 13. The members are requested to bring the copy of Annual Report along with them at the meeting.

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 32nd 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 27.09.2016 (09.00 AM) and ends on 29.09.2016 (05.00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date of 23.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on "Shareholders".
 - (v) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN-160820009 for NAHAR INDUSTRIAL ENTERPRISES LIMITED on which you choose to vote.



- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-voting from their mobiles. The m-voting app can be downloaded from Google Play Store, App Store (iphone) and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-individual Shareholders and Custodian:-
- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the Login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- IV. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- V. The Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
- VI. A member can opt for only one mode of voting i.e. either through e-voting or by Ballot Form. If a member votes by both modes, the voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.
- VII. M/s. P.S. Bathla & Associates, a firm of Company Secretaries in Practice (C.P. No. 2585) have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The Scrutinizer shall upon the conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and made a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- VIII. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www.ownahar.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicate to BSE Limited and National Stock Exchange of India Limited.
- IX. Members holding equity shares in electronic form and proxies thereof, are requested to bring their DP ID and client ID for identification.

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

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

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditors to conduct the audit of the cost accounting records of the Textile and Sugar segments of the Company for the financial year ending 31.3.2017 at a remuneration as specified in the resolution.

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



the financial year ending 31.3.2017. The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

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

Item No. 7

Mr. Kamal Oswal was re-appointed as the Managing Director of the Company for a period of five years w.e.f. 1st February, 2013 till 31st January, 2018 in 28th Annual General Meeting held on 29th September, 2012 pursuant to the provisions of section 198, 269, 309 and 310 read with schedule XIII of the erstwhile Companies Act, 1956 on such terms and conditions as mentioned therein.

The Nomination and Remuneration Committee has recommended and the Board of Directors has approved in their meeting held on 29.08.2016, remuneration to be paid to Mr. Kamal Oswal, Managing Director for the remaining period of his tenure from w.e.f. 01.04.2016 to 31.01.2018 as mentioned in the resolution subject to the approval of the shareholders.

Mr. Kamal Oswal, aged about 53 years, a commerce graduate is a renowned industrialist having 32 years of experience in industry. He is also a Managing Director of Oswal Woollen Mills Limited. Under his able leadership and guidance, the Company has achieved new milestone and further expanding. Considering the size of the Company, the profile of Sh. Kamal Oswal, the responsibility shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him commensurate with the remuneration packages paid to person appointed at similar level in other companies. He is holding 1294 equity shares of the Company and was first appointed as a director in the Company on 27.09.1983. During the last financial year he had attended three out of four board meetings of the Company.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Chairman and Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration for the remaining period of his tenure by way of salary, commission and perquisites subject to the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

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

Sr. No.	Directorship	Committee	Status
1.	Nahar Industrial Enterprises Ltd.	Corporate Social Responsibility	Chairman
2.	Oswal Woollen Mills Ltd.	Stakeholders Relationship	Member
3.	Nahar Spinning Mills Ltd.	-	-
4.	Nahar Poly Films Ltd.	Share Transfer	Member
5.	Nahar Capital & Financial Services Ltd.	-	-
6.	Cotton County Retail Ltd.	Nomination and Remuneration	Chairman
7.	Oswal Leasing Ltd.	-	-
8.	Nahar Industrial Infrastructure Corp. Ltd.	-	-
9.	Sankheshwar Holding Company Ltd.	-	-
10.	Vardhman Investment Ltd.	-	-
11.	Neha Credit & Investment Pvt. Ltd.	-	-
12.	Abhilash Growth Fund Pvt. Ltd.	Corporate Social Responsibility	Member
13.	Nahar Growth Fund Pvt. Ltd.	-	-
14.	Crownstar Ltd., U.K.	-	-

Your directors recommend the resolution for your approval.

Sh. Jawahar Lal Oswal, Sh. Dinesh Oswal, Mrs. Manisha Oswal and Sh. Abhinav Oswal being relatives of Sh. Kamal Oswal and Sh. Kamal Oswal himself may be deemed to be concerned and 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. The resolution as given in the notice may also be treated as an abstract of the variation of terms of appointment already in existence.

Item No. 8

Oswal Woollen Mills Ltd., Cotton County Retail Ltd, Nahar Spinning Mills Ltd., Monte Carlo Fashions Ltd. and Vanaik Spinning Mills Ltd. are related parties as per section 2(76) and 188 of the Companies Act, 2013. These Companies buy/ sell yarns and fabrics from/ to the Company. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are in ordinary course of Business and are at arm's length basis and are entered into as per the Company's policy on Related Party Transactions. The transactions entered with related parties are approved by the Audit Committee and the Board of the Company. The Company has already obtained the approval of members to enter into agreement/ contracts/ transactions with these related parties for a period of three years w.e.f. 01.04.2014 to 31.03.2017.

It is expedient and necessary to seek shareholders approval as per the provisions of section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 23 of the SEBI (LODR) Regulations, 2015, for material related party transactions. Accordingly, your directors recommend the resolution for your approval.

Sh. Jawahar Lal Oswal, Chairman, Sh. Kamal Oswal, Vice Chairman-cum-Managing Director and Sh. Dinesh Oswal, Director, being the promoters and directors; Sh. Dinesh Gogna, being the common director; Mrs. Manisha Oswal, and Sh. Abhinav Oswal being the relatives of the promoters of the said companies, may be deemed to be concerned / 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 proposed resolution.

**Information pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 regarding Directors seeking re-appointment has been given as hereunder:**

1. Sh. Dinesh Gogna, aged about 63 years, holding a bachelor's degree in law is having more than 38 years of experience in Corporate Finance and Taxation. He is holding 105 equity shares of the Company and was first appointed as a director in the Company on 27.09.1983. During the last financial year he had attended all four board meetings of the Company. He is proposed to be reappointed as Non-executive Director of the company, liable to retire by rotation. During the last year he was paid sitting fees of Rs. 40,000/- for attending Board Meetings.

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

Sr. No.	Directorship	Committee	Status
1.	Nahar Industrial Enterprises Ltd.	Audit Stakeholders Relationship Corporate Social Responsibility	Member Chairman Member
2.	Oswal Woollen Mills Ltd.	Audit Shareholders	Member Member
3.	Monte Carlo Fashions Ltd.	Stakeholders Relationship Audit Nomination & Remuneration Corporate Social Responsibility Share Transfer	Chairman Member Member Member Member
4.	Nahar Spinning Mills Ltd.	Audit Share Transfer Corporate Social Responsibility	Member Member Member
5.	Nahar Poly Films Ltd.	Share Transfer Audit Corporate Social Responsibility	Member Member Member
6.	Nahar Capital & Financial Services Ltd.	Share Transfer Corporate Social Responsibility	Member Member
7.	Oswal Leasing Ltd.	-----	-----
8.	Cotton County Retail Ltd.	-----	-----
9.	Gimar Investment Ltd.	-----	-----
10.	Crownstar Ltd., U.K.	-----	-----

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

2. Sh. Navdeep Sharma, aged about 57 years, holding a bachelor's degree in law is having more than 35 years of experience in field of Taxation. He is holding one equity shares of the Company and was first appointed as a director in the Company on 12.08.2015. During the last financial year he had attended three board meetings of the Company. He is proposed to be reappointed as Non-executive Director of the company, liable to retire by rotation. During the last year was paid sitting fees of Rs. 30,000/- for attending Board Meetings.

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

Sr. No.	Directorship	Committee	Status
1.	Nahar Industrial Enterprises Ltd.	-----	-----
2.	Oswal Leasing Ltd.	Audit Stakeholders Relationship	Member Chairman
3.	Kovalam Investment & Trading Co. Ltd.	Audit Stakeholders Relationship Nomination & Remuneration	Member Member Member
4.	Vanaik Investors Ltd.	Corporate Social Responsibility	Member
5.	Vanaik Spinning Mills Ltd.	Audit Nomination & Remuneration	Member Chairman
6.	Abhilash Growth Fund Pvt. Ltd.	Corporate Social Responsibility Audit	Member Member
7.	Nagdevi Trading & Investment Co. Ltd.	-----	-----
8.	J L Growth Fund Ltd.	-----	-----
9.	Palam Motels Ltd.	-----	-----
10.	Nahar Financial & Investment Ltd.	-----	-----
11.	Nahar Industrial Infrastructure Corpn. Ltd.	-----	-----
12.	Nahar Growth Fund Pvt. Ltd.	-----	-----
13.	Monica Growth Fund Pvt. Ltd.	-----	-----
14.	Ruchika Growth Fund Pvt. Ltd.	-----	-----
15.	Neha Credit & Investment Pvt. Ltd.	-----	-----
16.	Vigil Investment Pvt. Ltd.	-----	-----

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

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 29th August, 2016

Mukesh Sood
Company Secretary



DIRECTORS REPORT

Dear Members,

Your directors have pleasure in presenting their 32nd Annual Report together with the audited financial statements for the financial year ended 31st March, 2016.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2016 is summarised below:

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
Profits Before Depreciation, Finance Cost and Tax	22,349.30	20,488.29
Less: Depreciation	8,997.09	13,524.06
Less: Finance Cost	7,762.65	10,487.93
Profits/ (Loss) Before Tax	5,589.56	(3,523.70)
Less: Tax Expense:		
i. Current Tax	2,025.00	77.06
ii. Deferred Tax	(725.00)	(800.08)
Amount available for Appropriation	4,289.56	(2,800.68)
Appropriations		
Add : Transfer from Contingent Liability Reserve	--	799.02
Less: Depreciation pursuant to enactment of schedule II of the Companies Act, 2013.	--	3,348.44
Less : Proposed Dividend on Equity shares	398.35	--
Less : Corporate Dividend Tax	81.09	--
Balance Transferred to General Reserve	3,810.12	(5,350.10)

2. PERFORMANCE REVIEW

We would like to inform you that in view of the Accounting Standard (AS)-17 (Segment Reporting) the Company operates in two main segments i.e. Textile and Sugar.

- i) **Textile:** The textile division accounts for 91.12% (including inter-segment) of the total turnover of the company for the year ended 31st March, 2016. The Business wise performance of this segment is as under:
 - a. **Yarn:** The Company has produced 73,245 MTs of yarn as against 69,890 MTs in the previous year.
 - b. **Fabric:** The Company has produced 755.59 lacs meters of fabrics (both grey and processed) as against 702.33 lacs meters in the previous year. The total turnover of this segment (Yarns and Fabrics) has decreased to ₹ 1,611 crores as against ₹ 1,666.85 crores in the previous year showing a decrease of 3.35%.
- ii) **Sugar:** The Company has produced 435,350 Qtls. of sugar as against 393,430 Qtls. in the previous year. The total turnover of this segment is ₹ 156.18 crores as against ₹ 119.58 crores in the previous year showing an increase of 30.61%.

Overall Performance

During the year under review, your Company has performed reasonably well and the performance of the Company was quite satisfactory as compared to previous year. During the year the company has achieved operational income of ₹ 1,782.64 crores as against ₹ 1,807.40 crores in the previous year. The company has earned Profit before finance cost, Depreciation and tax of ₹ 223.49 crores as against ₹ 204.88 crores in the previous year. After providing for Finance Cost of ₹ 77.63 crores (previous year ₹ 104.88 crores), Depreciation of ₹ 89.97 crores (previous year ₹ 135.24 crores) and Tax Expenses of ₹ 13 crores [previous year ₹ (7.23) crores] (inclusive of Deferred Tax), the Profit for the year comes to ₹ 42.89 crores as against loss of ₹ 28.01 crores in the previous year.

3. TRANSFER TO RESERVES

Your Company has transferred ₹ 38.10 Crore to the General Reserve out of profits available for appropriation after making a provision for dividend amounting to ₹ 4.79 Crore (inclusive of Dividend Distribution Tax).

4. CREDIT RATING

The rating committee of ICRA Limited has given long term rating as [ICRA] A- (pronounced ICRA A minus). The outlook on the long term rating is stable. The rating committee of ICRA has also given short term rating as [ICRA]A2+ (pronounced ICRA A two plus).

**5. DIVIDEND**

The Board of Directors of your company has proposed dividend @ 10% (i.e. ₹ 1/- per share) on the Paid-up Equity Share Capital of the Company for the Financial Year 2015-16. The dividend will be paid subject to the approval by the shareholders in the forthcoming Annual General Meeting.

6. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2016 was ₹ 39,83,51,410/- divided into 3,98,35,141 Equity Shares of the face value of ₹ 10/- each. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2016 none of the Promoters / Directors of the Company hold instruments convertible into equity shares of the Company.

7. DEPOSITS

During the year, the Company has not accepted any 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.

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

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

9. STATUS OF DISTILLERY PROJECT

As the members are aware that the Company was diversifying its business by installing a distillery unit at Village Salana Jeon Singh Wala, Tehsil Amloh, District Fatehgarh Sahib. However because of strategic reason, the Company has abandoned this project.

10. MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year to which the financial statement relates and the date of this report.

11. DIRECTORS**Appointment and Change in Directors**

- Sh. Narayan Dass Jain (DIN: 00493334), a Non Executive Director of the Company who was associated with the Company since 30.04.1999 had resigned from the directorship of the Company w.e.f. 11.08.2015. The Board had placed on record its appreciation for the services rendered by him during his tenure as a director.

- During the year under review, Sh. Navdeep Sharma (DIN: 00454285) was appointed as an Non- Executive Director whose appointment was regularized by the Company in its 31st Annual General Meeting held on Wednesday, 30.09.2015.
- In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Sh. Dinesh Gogna (DIN: 00498670) and Sh. Navdeep Sharma (DIN: 00454285), Directors of the Company will be retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Declaration by Independent Directors

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

Number of Meetings of the Board

During the year, four Board Meetings were convened and held on 30.05.2015, 12.08.2015, 14.11.2015 & 13.02.2016. The details thereof are also given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and 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 and 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 2015-16, the Independent Directors met on 5.12.2015, inter-alia, to discuss:-

- (i) The performance of Non-Independent Directors and the Board as a whole;
- (ii) The performance of the Chairman of the Company taking into account 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:-



- a) that in the preparation of the Annual Accounts for the year ended on 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that annual accounts have been prepared on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.ownahar.com/nahar_ie/pdf/RPT_Policy.pdf. The details of Related Parties transactions are given in Note No. 37 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 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 is available at the Company's website i.e. www.ownahar.com.

18. INTERNAL FINANCIAL CONTROL

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 thereon are presented to the Audit Committee of the Board. The Company has engaged an independent agency to access the adequacy of the existing internal financial controls and suggest means for further strengthening the same.

**19. 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.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility Committee of the Board in accordance with section 135 of the Companies Act, 2013. The Company has adopted a CSR Policy and undertaking CSR Program/ Projects along with Group Companies under one umbrella i.e. through Oswal Foundation (OSF) which is a registered society framed in 2006 having its charitable objects in various fields. The CSR Policy of the Company has been placed on the Company's website at web-link http://owmnahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf. During the year, the Company has spent Rs. 17.53 Lacs on CSR activities. The Report on CSR activities as required under the Companies (Corporate Social Responsibility) Rules, 2014 including a brief outline of the Company's CSR Policy is annexed herewith marked as **Annexure-C**.

21. 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. This 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.

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

M/s. Raj Gupta & Co., Chartered Accountants, Auditors of the Company shall retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re- appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and Rules framed there under for re-appointment as Auditors of the Company. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of The Institute of Chartered Accountants of India. The Auditor's report on the accounts of the Company is self-explanatory and requires no comments.

ii) Cost Auditor & Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with 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. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi to audit the cost accounts of the Company for the financial year 2015-16. The cost audit report for the financial year 2014-15 was filed with the Ministry of Corporate Affairs on 26.09.2015. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants is included in the Notice convening the Annual General Meeting.

iii) Secretarial Audit

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.

23. 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.

24. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1), 5(2) & 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended upto date) in respect of employees of the Company, forming part of the Directors' Report for the year ended 31st March, 2016 is given in **Annexure-E** to this Report.

25. 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**.

**26. 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.

27. Subsidiary/ Associates/ Consolidated Financial statements

As on 31st March, 2016, the Company had four associate companies i.e. Cotton County Retail Limited, J L Growth Fund Limited, Vardhman Investment Limited and Atam Vallabh Financiers Limited, the accounts of which have been consolidated in accordance with the applicable Accounting Standards and pursuant to Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The Audited Consolidated Financial Statement is 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 for 2015-16 are given below:

- **Cotton County Retail Limited (CCRL)**
The Company holds 49.99% equity shares of CCRL. During the year, the Revenue from Operations of the Company was Rs. 2205.30 Lacs as compared to Rs. 3668.91 Lacs in the previous year. The Company has incurred a net loss of Rs. 782.78 Lacs as against Rs. 133 Lacs in the previous year.
- **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 Rs. 35.36 Lacs as compared to Rs. 44.62 Lacs in the previous year. The Company has earned a net profit of Rs. 26.79 Lacs as against Rs. 36.39 Lacs in the previous year.
- **Vardhman Investment Limited (VIL)**
The Company holds 47.17% equity shares of VIL.

During the year, the Revenue from Operations of the Company was Rs. 33.23 Lacs as compared to Rs. 49.75 Lacs in the previous year. The Company has earned a net profit of Rs. 24.83 Lacs as against Rs. 41.79 Lacs in the previous year.

- **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 Rs. 29.49 Lacs as compared to Rs. 67.21 Lacs in the previous year. The Company has earned a net profit of Rs. 25.31 Lacs as against Rs. 69.38 Lacs in the previous year.

During the year, Amluh Industries Limited was incorporated as a wholly owned subsidiary as special purpose company and the said company was also ceased to be the subsidiary of the Company. There are no financials to be reported.

28. 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. During the financial year 2015-16, the company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31 March, 2016.

29. INDUSTRIAL RELATIONS

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

30. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : Ludhiana
Date : 29th August, 2016

Jawahar Lal Oswal
Chairman

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

As on the Financial Year ended on 31/03/2016

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

I REGISTRATION AND OTHER DETAILS

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Textiles	131	91.12%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



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

(i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year (As on 01/04/2015)				No. of shares held at the end of the year (As on 31/03/2016)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Promoters									
1. Indian									
a) Individual/HUF	1324	-	1324	-	1324	-	1324	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	27137877	-	27137877	68.13	27237877	-	27237877	68.38	0.25
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Subtotal (A)(1)	27139201	-	27139201	68.13	27239201	-	27239201	68.38	0.25
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)	27139201	-	27139201	68.13	27239201	-	27239201	68.38	0.25
(B) Public Shareholding									
1) Institutions									
a) Mutual Fund/UTI	4938	13414	18352	0.05	4938	13414	18352	0.05	-
b) Banks/FI	100	4921	5021	0.01	3714	4921	8635	0.02	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	169463	-	169463	0.43	169463	-	169463	0.43	-
g) FII's	-	112	112	-	-	112	112	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (NRI/OCB)	45111	263051	308162	0.77	66403	257974	324377	0.81	0.04
Sub total (B)(1)	219612	281498	501110	1.26	244518	276421	520939	1.31	0.05
2) Non-Institutions									
a) Bodies Corporate									
I. Indian	427228	38772	466000	1.17	446129	38797	484926	1.22	0.05
II. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I. Individual shareholder holding nominal share capital upto Rs. 1 Lakh	3203956	3267632	6471588	16.24	3225409	3219450	6444859	16.18	-0.07
II. Individual shareholder holding nominal share capital in excess of Rs. 1 lakh	5257242	-	5257242	13.20	5145114	-	5145114	12.91	-0.28
c) Others (NBFC)	-	-	-	-	102	-	102	-	-
Sub-total (B)(2)	8888426	3306404	12194830	30.61	8816754	3258247	12075001	30.31	-0.30
Total Public Shareholding (B)=(B)(1)+(B)(2)	9108038	3587902	12695940	31.87	9061272	3534668	12595940	31.62	-0.25
(C) Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36247239	3587902	39835141	100	36300473	3534668	39835141	100	-



(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01/04/2015)			Shareholding at the end of the year (As on 31/03/2016)			% change in shareholding during the year
		No. Of Share	% of total shares of the Company	% of shares Pledged/ encumbered of total shares	No. Of Shares	% of total shares of the Company	% of shares Pledged/ encumbered of total shares	
1	Nahar Capital & Financial Services Ltd.	9336745	23.44	-	9336745	23.44	-	-
2	J L Growth Fund Ltd.	3421836	8.59	-	3421836	8.59	-	-
3	Nahar Poly Films Ltd.	2708800	6.80	-	2708800	6.80	-	-
4	Vardhman Investments Ltd.	2277955	5.72	-	2277955	5.72	-	-
5	Oswal Woollen Mills Ltd.	2094819	5.26	-	2094819	5.26	-	-
6	Nagdevi Trading & Investment Co. Ltd.	2273625	5.71	-	2273625	5.71	-	-
7	Atam Vallabh Financiers Ltd.	1691364	4.25	-	1691364	4.25	-	-
8	Kovalam Investment & Trading Co. Ltd.	2068920	5.19	-	2068920	5.19	-	-
9	Sankheshwar Holding Co. Ltd.	549842	1.38	-	549842	1.38	-	-
10	Vanaik Investors Ltd.	287987	0.72	-	387987	0.97	-	0.25
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	Sh. Kamal Oswal	1294	-	-	1294	-	-	-
16	Sh. Dinesh Oswal	30	-	-	30	-	-	-
	Total	27139201	68.13	-	27239201	68.38	-	0.25

(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.	Vanaik Investors Limited				
	At the beginning of Year	287987	0.72	287987	0.72
	Purchased on 08.05.2015	8000	0.02	295987	0.74
	Purchased on 15.05.2015	19590	0.05	315577	0.79
	Purchased on 29.05.2015	7211	0.02	322788	0.81
	Purchased on 12.06.2015	199	0.00	322987	0.81
	Purchased on 30.06.2015	51000	0.13	373987	0.94
	Purchased on 03.07.2015	14000	0.04	387987	0.97
	At the end of the Year	387987	0.97	387987	0.97

(iv) Shareholding Pattern of top ten Shareholders

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Date	Increase/ Decrease in Shareholding	Reasons	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No. Of Shares	% of total shares of the Company
1	Mr. Ashish Dhawan	2590124	6.50	01.04.2015	Nil		2590124	6.50
				31.03.2016			2590124	6.50
2	Mr. Tara Chand Jain	254686	0.64	01.04.2015	Nil		254686	0.64
				31.03.2016			254686	0.64
3	Mr. Jatinder Nath Jhamb *	195500	0.49	01.04.2015			195500	0.49
				01.05.2015	-100000	Transfer	95500	0.24
				07.08.2015	-75000	Transfer	20500	0.05
				31.03.2016			20500	0.05
4	Mr. Vinodchandra Mansukhlal Parekh	185847	0.47	01.04.2015	Nil		185847	0.47
				31.03.2016			185847	0.47
5	Mr. Shaunak Jagdish Shah	150118	0.38	01.04.2015	Nil		150118	0.38
				31.03.2016			150118	0.38
6	Mr. Zafar Ahmadullah *	125000	0.31	01.04.2015			125000	0.31
				31.12.2015	-125000	Transfer	Nil	Nil
				31.03.2016			Nil	Nil



NAHAR INDUSTRIAL ENTERPRISES LIMITED

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Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Date	Increase/Decrease in Shareholding	Reasons	Cumulative Shareholding during the Year		
		No. of Shares	% of total shares of the Company				No. Of Shares	% of total shares of the Company	
7	Ms. Sangeetha S	130480	0.33	01.04.2015	Nil		130480	0.33	
				31.03.2016			130480	0.33	
8	Ms. Vandana Sehgal	135174	0.34	01.04.2015	Nil		135174	0.34	
				31.03.2016			135174	0.34	
9	Mr. Rakesh Rajkrishan Aggarwal *	99000	0.25	01.04.2015	-99000	Transfer	99000	0.25	
				12.02.2016			Nil	NIL	
				31.03.2016			Nil	NIL	
10	Mr. Ajay Parakh	93020	0.23	01.04.2015	500	Transfer	93020	0.23	
				07.08.2015			93520	0.23	
				22.01.2016			94020	0.24	
				31.03.2016			94020	0.24	
11	Mr. Pranav Kumarpal Parekh	81008	0.20	01.04.2015	Nil		81008	0.20	
				31.03.2016			81008	0.20	
12	The Oriental Insurance Company Ltd.	77274	0.19	01.04.2015	Nil		77274	0.19	
				31.03.2016			77274	0.19	
13	Mr. Jatinder Nath Jhamb	Nil	Nil	01.04.2015	75000	Transfer	Nil	Nil	
				01.05.2015			100000	0.25	
				08.05.2015			-10000	90000	0.23
				15.05.2015			-23000	67000	0.17
				29.05.2015			-2000	65000	0.16
				19.06.2015			-27000	38000	0.10
				26.06.2015			-24000	14000	0.04
				30.06.2015			-14000	Nil	Nil
				07.08.2015			75000	75000	0.19
				31.03.2016			75000	75000	0.19

* Ceased from top 10 shareholder list during the year

(v) Shareholding of Directors and Key Managerial Personnel

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

V INDEBTEDNESS

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

(₹ in '000)

Particulars	Secured Loan excluding deposits	Un-secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
I. Principal Amount	5131697	505398	-	5637095
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	5131697	505398	-	5637095
Change in Indebtedness during the Financial Year				
• Additions	294323	34809	-	329132
• Reduction	1533814	-	-	1533814
• Net Change	(1239491)	34809	-	(1204682)
Indebtedness at the end of the Financial Year				
I. Principal Amount	3892206	540207	-	4432413
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	3892206	540207	-	4432413



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	2400000/-	2400000/-
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of profit	-	-
	- Other, specify	-	-
5.	Others (Employer's share of PF)	288000/-	288000/-
	Total (A)	2688000/-	2688000/-
Ceiling as per the Act : 5% of the Net Profits of the Company i.e. Rs. 1.39 Crores			

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr.(Mrs.) Harbhajan Kaur Bal	Dr. Yash Paul Sachdeva	Dr. Amrik Singh Sohi	Sh. Ajit Singh Chatha	Dr. Vijay Asdhir**	
1.	Independent Directors						
	a) Fee for attending board meeting	40000/-	40000/-	20000/-	40000/-	40000/-	180000/-
	b) Commission	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-
	Total (1)	40000/-	40000/-	20000/-	40000/-	40000/-	180000/-
2.	Other Non-Executive Directors						
	a) Fee for attending board meeting	30000/-	40000/-	40000/-	30000/-	-	140000/-
	b) Commission	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-
	Total (2)	30000/-	40000/-	40000/-	30000/-	-	140000/-
	Total Managerial Remuneration (Total (B) = (1+2))						320000/-
Overall ceiling as per the Act : 11% of the Net Profits of the Company i.e. Rs. 3.07 Crores							

*Appointed w.e.f. 12/08/2015

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mr. Mukesh Sood	Mr. Bharat Bhushan Gupta	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1459575/-	1711658/-	3171233/-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	81884/-	79496/-	161380/-
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
	Total (1)	1541459/-	1791154/-	3332613/-

VII PENALITES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

Place : Ludhiana
Date : 29th August, 2016

Jawahar Lal Oswal
Chairman

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

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

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

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

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

2. Details of material contracts or arrangement or transactions (2015-16) at arm's length basis

(₹ In lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advances, if any
(a)	(b)	(d)	(c)	(e)	(f)
Oswal Woollen Mills Ltd	Purchase of Goods	2015-16	3399.86	Not Required	
	Sale of Goods		23754.88		
	Sale of Fixed Assets		7.40		
	Purchase of Fixed Assets		400.42		
	Sale of FMP/FMS License		51.89		
	Rent Received		24.51		
	Processing Charges Received		258.90		
Nahar Spinning Mills Ltd	Purchase of Goods	2015-16	1033.18	Not Required	
	Sale of Goods		38.32		
	Processing Charges paid		4.11		
Monte Carlo Fashions Ltd	Purchase of Goods	2015-16	14.96	Not Required	
	Sale of Goods		325.69		
	Rent Received		49.03		
Cotton County Retail Ltd.	Purchase of Goods	2015-16	24.75	Not Required	
	Sale of Goods		1034.63		
	Rent Received		15.08		
Vanaik Spinning Mills Ltd.	Sale of FMP/FMS License	2015-16	36.84	Not Required	
Nahar Industrial Infrastructure Corp. Ltd.	Purchase of Fixed Assets	2015-16	1.46	Not Required	
J L Growth Fund Ltd.	Rent paid	2015-16	21.26	Not Required	
Hug Foods Pvt. Ltd.	Rent Received	2015-16	1.37	Not Required	
Retailerkart e-venture Pvt. Ltd.	Rent Received	2015-16	1.37	Not Required	
Sh. Kamal Oswal	Rent Received	2015-16	15.00	Not Required	
Mrs. Manisha Oswal	Remuneration	2015-16	6.00	Not Required	

For and on behalf of the Board of DirectorsPlace: Ludhiana
Date: 29th August, 2016**Jawahar Lal Oswal**
Chairman



ANNEXURE-C

Annual Report on Corporate Social Responsibility (CSR) Activities

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and recommended the same to the Board of Director of the Company for its approval. The Board of Directors has adopted the CSR Policy as recommended by CSR Committee. Under the CSR Policy, Company will broadly focus on medical relief and research, environment protection, promotion of education, social upliftment and any other activity as envisaged in the companies Act. The details of CSR policy are available on the company's website www.ownahar.com.

2. Composition of CSR Committee: Sh. Kamal Oswal, Chairman
Sh. Dinesh Gogna, Member
Dr. Yash Paul Sachdeva, Member
3. Average net profit of the Company for last three financial years: ₹ 876.55 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 17.53 Lacs
5. Details of CSR spent during the financial year:
- (a) Total amount spent for the financial year: ₹ 17.53 Lacs
- (b) Amount Unspent, if any: Nil
- (c) Manner in which the amount spent during the financial year is detailed below: (₹ in Lacs)

SR. No.	CSR Project/ Activity	Sector	Location of the Project	Amount Outlay (budget) Project or Program wise	Amount spent on the Project or Programs. Sub Heads: 1.Direct Expenditure on Projects or programe 2.Overheads	Cumulative Expenditure up to the Reporting period.	Amount Spent: Direct or through Implementing Agency
1	2	3	4	5	6	7	8
1.	Adoption of five Govt. Primary School and construction of classroom & toilets as well as to provide furniture.	Promoting education	Construction of school building in three villages of District Ludhiana two in District Mohali.	*	*	*	Through implementing agency Oswal Foundation
2.	Cleanliness and clearance of Pollutants and garbage of Sidhwan Canal	Maintaining Quality of Soil, air and water	Local Area State-Punjab, Ludhiana	*	*	*	Through implementing agency Oswal Foundation
3.	For environmental sustainability, maintenance of Fountain Chowk	Ensuring Environmental sustainability	Local Area State-Punjab, Ludhiana	*	*	*	Through implementing agency Oswal Foundation

*As informed earlier, the company has decided to undertake CSR obligation through a Regd. Charitable Society i.e. Oswal Foundation jointly and collectively with other group companies. As decided, the CSR activities undertaken by the said implementing agency after taking consent from the companies of the group including our company, we individually from our company had contributed during the year ₹ 17.53 lacs to be spent by the said implementing agency on CSR activities, as prescribed under Schedule VII of the Companies Act 2013, which is a continuing process.

6. 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/-
Sh. Kamal Oswal
(Managing Director & Chairman, CSR Committee)

**Form No. MR-3
SECRETARIAL AUDIT REPORT****ANNEXURE-D****For the financial year ending 31st March, 2016**

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

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

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

Based on my verification of the books, papers, minutes 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, 2015 to 31st March, 2016 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, minutes books, forms and returns filed and other records maintained by M/s. Nahar Industrial Enterprises Limited ("the company") for the financial year ended on 31st March, 2016 according to the provisions of:
 - (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (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 thereunder;
 - (IV) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable as the Company has not issued further capital during the financial year under review)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable, as the Company has not made any such scheme during the Audit Period under review)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable, as the Company has not issued Debt Securities during the Audit Period under review)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/proposed to delist its equity shares from any stock exchange during the financial year under review)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back / proposes to buy-back any of its securities during the financial year under review.)**
- (VI) Textiles (Development and Regulation) Order, 2001



- (VII) Foods Safety and Standards Act, 2006
(VIII) Sugar Cess Act, 1982

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
(ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. read with SEBI (LODR) Regulations, 2015.

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

2. I further report that

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

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

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

Annexure A

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. 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: 28th August, 2016**

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

For P S Bathla & Associates

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

**Place : Ludhiana
Date: 28th August, 2016**

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



ANNEXURE-E

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

(i) The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 is as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2015-16 (₹ in lacs)	% increase in Remuneration in the Financial year 2015-16	Ratio of remuneration of each Director to median remuneration of employees
1.	Sh. Jawahar Lal Oswal (Chairman)	*0.30	20	0.36
2.	Sh. Kamal Oswal (Managing Director)	26.88	None	32.50
3.	Sh. Dinesh Oswal (Non-Executive Director)	*0.40	14.29	0.48
4.	Sh. Dinesh Gogna (Non-Executive Director)	*0.40	14.29	0.48
5.	Sh. Navdeep Sharma** (Non-Executive Director)	*0.30	---	0.36
6.	Dr. (Mrs) Harbhajan Kaur Bal (Non-Executive Director)	*0.40	14.29	0.48
7.	Dr. Yash Paul Sachdeva (Non-Executive Director)	*0.40	14.29	0.48
8.	Dr. Amrik Singh Sohi (Non-Executive Director)	*0.20	-42.86	0.24
9.	Sh. Ajit Singh Chatha (Non-Executive Director)	*0.40	14.29	0.48
10.	Dr. Vijay Asdhir (Non-Executive Director)	*0.40	300	0.48
11.	Sh. Bharat Bhushan Gupta (Chief Financial Officer)	17.91	22.67	21.65
12.	Sh. Mukesh Sood (Company Secretary)	15.41	16.48	18.63

*Sitting Fee paid for attending the Board Meetings.

**Sh. Navdeep Sharma was appointed w.e.f. 12.08.2015.

(ii) In the financial year, there was an increase of 6.23 % in the median remuneration of employees.

(iii) There were 11465 permanent employees on the rolls of Company as on 31st March, 2016.

(iv) Average percentage increase made in the salaries of employees other than the key managerial personnel in the

last financial year i.e. 2015-16 was 10 % whereas the increase in the key managerial remuneration for the same financial year was 10.03%.

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

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

Sr No	Name and Designation	Gross Remuneration (Rs. in Lacs)	Nature of Employment	Qualification and Experience	Date of Comencement of Employment	Age (in Yrs)	Last Employment held
1.	Sh. Kamal Oswal Managing Director	26.88	Contractual	B.Com 32 Yrs	01.02.1998	53	Nahar International Ltd.
2.	Sh. Shib Shankar Basu President	25.04	Regular	B.Sc. Tech (Textile) 37 Yrs	01.08.2016	59	Vardhman Group
3.	Sh. Debasis Kumar Dasgupta General Manager	21.75	Regular	M. Tech (Textile) 33 Yrs	08.05.1996	56	Vardhman Group
4.	Sh. Daljeet Singh Virdi Vice President	20.60	Regular	C A 32 Yrs	07.09.1993	61	Metro Tyre Limited
5.	Sh. Krupesh J. Thakkar General Manager	18.07	Regular	Dip In Textile Process 23 Yrs	21.06.2012	45	Alok Industries Ltd.
6.	Sh. Bharat Bhushan Gupta Chief Financial Officer	17.91	Regular	C A 38 Yrs	20.11.1979	59	---
7.	Sh. Harish Pahwa General Manager	17.84	Regular	B A 42 Yrs	01.04.1997	63	Oswal Vanaspati
8.	Sh. Arun Kumar Nijhawan President	17.15	Regular	B. Tech. (Textile) 34 Yrs	04.07.1995	55	Vardhman Group
9.	Sh. Vipin Kumar Kad President	16.51	Regular	M. Sc. (Physics) 39 Yrs	26.09.1996	61	Vardhman Group
10.	Sh. Satish Kumar Tyagi Vice President (Yarn Dying)	15.86	Regular	B.Tech. (Textile Chem) 28 Yrs.	03.12.2009	51	Vardhman Group

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

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

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

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

B TECHNOLOGY ABSORPTION

- i) Efforts, in brief made, towards Technology Absorption, adoption and innovation : All efforts being made to adopt the technology. The Company has a team of well qualified and experienced Engineers who are committed to absorbing and adapting latest technology.
- ii) Benefit derived as a result of above efforts : Due to adoption of latest technology there has been improvement in quality.
- iii) Information regarding technology imported during the last five years :
 - (a) The details of technologies imported :- Nil
 - (b) The year of import:- N.A.
 - (c) Whether the technology been fully absorbed N.A.

	Current Year	(₹ in Lacs) Previous Year
(iv) The expenditure incurred on Research & Development		
a) Capital	12.47	7.03
b) Recurring	36.84	32.69
Total	<u>49.31</u>	<u>39.72</u>

C FOREIGN EXCHANGE EARNING & OUTGO

	Current Year	(₹ in Lacs) Previous Year
i) Total foreign exchange earnings and outgo:		
Earnings	20,835.64	18,718.06
Outgo	6,390.50	3,298.20

For and on behalf of the Board of Directors

Place: Ludhiana
Date: 29th August, 2016

Jawahar Lal Oswal
Chairman



CORPORATE GOVERNANCE REPORT

ANNEXURE-G

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors

A. Information relating to Directors

- i. As on 31st March, 2016 the Board of NIEL consists of ten directors. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. Sh Jawahar Lal Oswal is non-executive chairman and the composition of the Board is in conformity with the Listing Regulations.
- ii. The Board met 4 (four) times during the period April, 2015 to March, 2016 on - 30.05.2015, 12.08.2015, 14.11.2015 & 13.02.2016 with a clearly defined agenda. The maximum time gap between any two board meetings was less than 120 days.
- iii. The details relating to composition and categories of directors on the Board, their attendance at the Board Meeting during the year and at the last Annual General Meeting, Number of Directorship, Committee Membership and Chairmanship /Chairpersonship held by them in other public limited companies incorporated in India, as on 31.03.2016 are presented hereunder:

Name of Directors	Designation	Category	Attendance Particulars		Directorship held in other Public Ltd. Companies/Committee Membership and Chairmanship/Chairpersonship		
			No. of Board Meetings Attended	Last AGM Attended	Directorship	Committee Membership	Committee Chairmanship/Chairpersonship
Sh. Jawahar Lal Oswal*	Chairman	Promoter Non Executive Director	3	No	8	--	--
Sh. Kamal Oswal*	Vice Chairman cum Mg. Director	Promoter Executive Director	3	No	9	1	1
Sh. Dinesh Oswal*	Director	Promoter Non Executive Director	4	Yes	8	--	--
Sh. Dinesh Gogna	Director	Non Executive Director	4	Yes	8	6	2
Sh. Navdeep Sharma+	Director	Non Executive Director	3	Yes	9	5	2
Sh. Narayan Dass Jain#	Director	Non Executive Director	--	--	--	--	--
Dr. (Mrs.) Harbhajan Kaur Bal	Director	Independent Director	4	No	5	8	2
Dr. Yash Paul Sachdeva	Director	Independent Director	4	No	5	7	1
Dr. Amrik Singh Sohi	Director	Independent Director	2	yes	4	3	1
Sh. Ajit Singh Chatha	Director	Independent Director	4	No	4	2	--
Dr. Vijay Asdhir	Director	Independent Director	4	Yes	1	1	2

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

+ Sh. Navdeep Sharma has been appointed director of the Company w.e.f. 12.08.2015

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

B. Shareholding of Non Executive Directors

Sr. No.	Name of the Directors	No. of Shares held
1.	Sh. Dinesh Oswal	30
2.	Sh. Dinesh Gogna	105
3.	Sh. 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 of him as a director of the Company. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's Procedures and Policies. Directors are having access to all documents/ information needed for good understanding of the Company, its operations and the industry in which it operates. The Company has put in place a system to familiarize its Independent Directors with the Company which is available at the weblink: www.ownahar.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 who is also the Managing Director of Oswal Woollen Mills Limited, receives salary, allowances, perquisites as approved by the Nomination and Remuneration Committee, Board of Directors and Shareholders. There has been no materially pecuniary relationship or transaction between the Company and its Directors in the financial year under review. The details of remuneration paid to the directors for the financial year 2015-16 are given below:

(Amount in ₹)

Name of the Directors	Sitting Fee	Salary, Allowance & Perquisites	Performance Incentives	Commission	Total
Sh. Jawahar Lal Oswal	30000/-	Nil	Nil	Nil	30000/-
Sh. Kamal Oswal	Nil	2688000/-	Nil	Nil	2688000/-
Sh. Dinesh Oswal	40000/-	Nil	Nil	Nil	40000/-
Sh. Dinesh Gogna	40000/-	Nil	Nil	Nil	40000/-
Dr.(Mrs.) H. K. Bal	40000/-	Nil	Nil	Nil	40000/-
Sh. Navdeep Sharma	30000/-	Nil	Nil	Nil	30000/-
Dr. Yash Paul Sachdeva	40000/-	Nil	Nil	Nil	40000/-
Dr. Amrik Singh Sohi	20000/-	Nil	Nil	Nil	20000/-
Sh. Ajit Singh Chatha	40000/-	Nil	Nil	Nil	40000/-
Dr. Vijay Asdhir	40000/-	Nil	Nil	Nil	40000/-

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://ownahar.com/nahar_ie/pdf/Code_of_Conduct_NIEL.pdf. A declaration to this effect signed by Sh. Kamal Oswal, Vice Chairman-cum-Managing Director is given below:

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management an affirmation that they have complied with the Code of Conduct in Financial Year 2015-16.

Place : Ludhiana
Dated : 29.08.2016

Kamal Oswal
Vice Chairman-cum-Managing Director

**3. Board Level Committees**

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

A. Audit Committee

The Company has formed an Audit Committee of the Board of Directors of the Company. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and 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 2015 to March 2016 i.e. 30.05.2015, 12.08.2015, 14.11.2015 & 13.02.2016 and the attendance of each member is as under:

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

Terms of Reference:

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

B. Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee of the Company is as per the provisions of section 178 of the Companies Act, 2013 and Listing Regulations. The Committee consisted of three independent non executive directors namely Dr. Vijay Asdhir as Chairman, Dr. Yash Paul Sachdeva and Dr. (Mrs.) Harbhajan Kaur Bal as members. The Committee met on 12.08.2015 in the Financial year 2015-16 and all the members were present in the meeting. The role of Nomination and Remuneration Committee is:

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

C. Stakeholders Relationship Committee

The composition of Stakeholders Relationship Committee of the Company is as per the provisions of section 178 of the Companies Act, 2013 and Listing Regulations. The Committee reviews redressal of shareholders and investors complaints like non receipt of dividend on shares, non receipt of shares whether in demat or physical form, non receipt of annual report etc., besides complaints received from SEBI, Stock Exchanges, Court and various investor forums. The Committee also oversees the performance of Registrar and Transfer Agent. The Stakeholder's Relationship Committee consisted of directors namely Sh. Kamal Oswal, Sh. Dinesh Gogna, Dr. Vijay Asdhir and Dr. Yash Paul Sachdeva. Mr. Mukesh Sood, Company Secretary is the compliance officer of the Company. The Committee met 4 (four) times during the period April 2015 to March, 2016 i.e. 30.05.2015, 12.08.2015, 14.11.2015 & 13.02.2016 in the financial year 2015-16 and the attendance of each member is as under:



Name of the Members	Status	No. of Meetings Held	No. of meetings Attended
Sh. Kamal Oswal	Member	4	3
Sh. Dinesh Gogna	Chairman	4	4
Dr. Vijay Asdhir	Member	4	4
Dr. Yash Paul Sachdeva	Member	4	4

Status of Shareholder's queries/grievance

Nature of Complaints	Pending at the beginning of the year	Received and redressed during the year	Pending at the end of the year
Non Receipt of Dividend on shares	Nil	26	Nil
Non Receipt of Shares whether in demat or physical form	Nil	61	Nil
Non Receipt of Annual Reports etc.	Nil	11	Nil
Total	Nil	98	Nil

D. CSR Committee

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

4. General Body Meeting

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

Financial Year	Location	Date	Time	No. of Special Resolutions
2012-13	Registered Office	30.09.2013	11.45 A.M.	1
2013-14	Registered Office	30.09.2014	02.00 P.M.	1
2014-15	Registered Office	30.09.2015	10.00 A.M.	---

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

5. Means of Communication

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

6. General Shareholder's Information

- Annual General Meeting
Day, Date, Time and Venue
Friday, 30th September, 2016 at 10.00 A.M. at the Registered Office at Focal Point, Ludhiana-141 010 (Punjab)
- Financial Year
Financial Results for the financial year 2016-17 will be announced tentatively in
July - August, 2016
October - November, 2016
January - February, 2017
April - May 2017
April to March
First Quarter Results
Second Quarter Results
Third Quarter Results
Fourth quarter & Annual audited results.
- Book Closure
17.09.2016 to 30.09.2016 (both days inclusive).
- Dividend
The Board of Directors has recommended dividend @ 10% i.e. Rs.1/- per equity share for the financial year ended 31.03.2016.



Unclaimed/Unpaid Dividend The Company had paid dividend @ 10% on equity shares of the Company for the financial year 2008-09, 2009-10, 2010-11, 2012-13 & 2013-14. Members who have not claimed the dividend for the aforesaid period may approach to the Share Department of the Company. **Unpaid/unclaimed dividend for 2008-09 is due to transfer to the Investor Education and Protection Fund after the expiry of seven years i.e. 04.10.2016.**

v Listing on Stock Exchange The equity shares of the Company are listed at:
 1. BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
 2. National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
 Annual Listing Fees for the financial year 2016-17 has already been paid to both the stock exchanges.

vi. Stock Code BSE – 519136, NSE – NAHARINDUS, ISIN- INE289A01011

vii. **Distribution of Shareholding as on 31.03.2016**

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate No. of Shares held	% of Shareholding
1-500	79565	98.13	5016693	12.59
501-1000	875	1.08	631824	1.59
1001-2000	288	0.35	429126	1.08
2001-3000	117	0.14	292484	0.73
3001-4000	56	0.07	194118	0.49
4001-5000	31	0.04	145048	0.36
5001-10000	52	0.07	382348	0.96
10001 & above	98	0.12	32743500	82.20
Total	81082	100.00	39835141	100.00

viii. **Shareholding Pattern as on 31.03.2016**

Shares held by	No. of Shares	% of shareholding
Promoters	27239201	68.38
Mutual Funds & UTI	18352	0.05
Bank & Financial Institutions	8635	0.02
Foreign Holding (FII's, NRIs, OCBs)	327101	0.82
Private Bodies Corporate (Others)	484926	1.22
Indian Public	11756926	29.51
Total	39835141	100.00

ix. **Dematerialisation of Shares**

As on 31.03.2016, 91.13% of equity share capital is held in dematerialized form under ISIN-INE289A01011

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

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

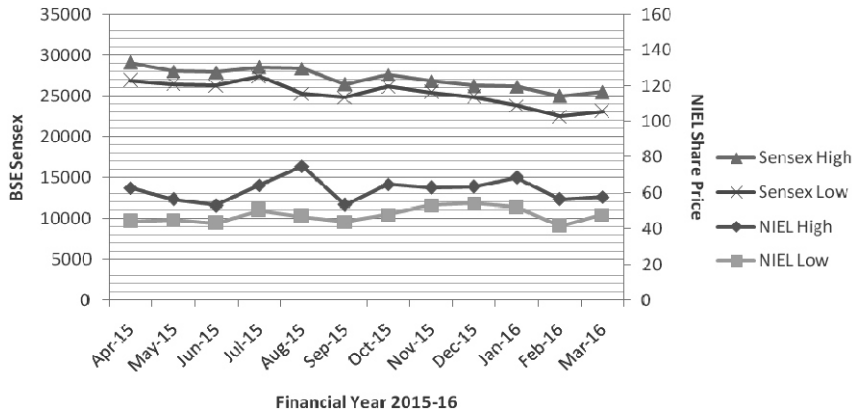
xi. **Stock Market Data :**

Month	NSE		BSE	
	High	Low	High	Low
April-2015	60.00	43.75	62.75	44.30
May-2015	56.00	48.00	56.50	45.00
June-2015	51.40	43.00	53.00	43.15
July-2015	63.50	50.00	64.40	50.35
August-2015	75.50	46.35	75.00	46.65
September – 2015	53.40	45.25	53.30	44.00
October-2015	66.50	49.00	64.90	48.05
November-2015	65.00	51.95	63.00	53.20
December-2015	63.95	51.10	63.50	54.10
January-2016	69.25	51.65	68.65	52.05
February-2016	57.45	41.15	56.30	41.60
March-2016	55.70	47.55	57.80	48.00

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 House, 1E/13, Jhandewalan Extension,
New Delhi 110055
Phone: 011-4254 1234
Fax No.: 011-42541201, 23552001
E-mail: rta@alankit.com

Company Secretary

Nahar Industrial Enterprises Ltd.
Regd. Office: Focal Point, Ludhiana – 141010
Phone : 0161-2672590-591
Fax No.: 0161-2674072
Email : msood@owmnahar.com

xiv. Share Transfer System

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

xv. Nomination

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

xvi. Service of Documents through electronic mode

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

xvii. Plant Locations

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

7. Disclosures

i. Nomination and Remuneration Policy

Introduction

The Nomination and Remuneration Policy (the "Policy") of Nahar Industrial Enterprises Limited (the "Company") has



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

Purpose of the Policy

The purpose of the policy is to :

- i. lay down the criteria to identify persons who are qualified to become directors and who may be appointed in senior management and key managerial personnel and to determine their remuneration
- ii. to 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 into 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 followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) referred to in section 133 of the Companies Act, 2013 in preparation of its financial statements. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

iii. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and 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 accounting standard AS-18 the details of related party transactions are given in Note No. 37 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. Disclosure with respect to Demat Suspense Account /Unclaimed Suspense Account

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

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

For and on behalf of the Board of Directors

Place: Ludhiana
Date: 29th August, 2016

Jawahar Lal Oswal
Chairman



CEO/CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we have certified to the Board that for the financial year ended 31st March, 2016 the Company has complied with the requirements stated thereunder.

For Nahar Industrial Enterprises Limited

**Place : Ludhiana
Dated : 30th May, 2016**

**Kamal Oswal
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 OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,
The Members of
Nahar Industrial Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Nahar Industrial Enterprises Limited for the year ended on 31st March 2016 as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges for the period 01.04.2015 to 30.11.2015 and as required under Schedule V (C) & (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 01.12.2015 to 31.03.2016.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

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

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

**For Raj Gupta & Co.,
Chartered Accountants
FRN: 000203N**

**Place : Ludhiana
Dated : 29th August, 2016**

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



Management discussion and Analysis Report 2016

Overview of the Economy

In 2015, world economy grew at slower pace; US reported weak growth, China was in the spotlight because of internal slowdown and the rest of the markets were stagnant. The EU continued to muddle through its economic woes. The UK's vote to leave the EU has pushed the IMF to cut its world growth forecast for this year and also for the next year. In today's global economic scenario, Indian economy is somewhat better placed among emerging economies. As per Central Statistical Office (CSO) data the Indian economy grew by 7.6% in FY 2015-16. This was despite agriculture being impacted by last two below season of monsoon. A good monsoon after two consecutive bad monsoons will certainly be a key factor in uplifting the sagging rural demand and the Indian economy. It is expected that due to commitment of the government to several reforms, reduction in crude oil prices and slowing rates of inflation, better economic growth will emerge in the coming years.

Industry Structure/Development (Textiles)

The Indian textile and apparel industry (Textile industry) represent a diverse spectrum of activities with the hand woven sector on one end and the capital intensive mill sector on the other. This sector has organized and unorganized players. The unorganized segment mainly depends on traditional method of operations whereas organized sector has applied modern machinery and techniques. Besides China, India continues to be the only country to have full textile chain i.e. from fiber to clothing. The Textile industry plays a pivotal role through its contribution to industrial output, employment generation and export earnings of the country and meets out the basic needs of the people at large popularly pronounced as Roti, **Kapada** aur Makan. After Agriculture, the Textile Industry is the second largest employment provider in the country providing direct employment to over 45 million people and accounts for 14% to overall index of Industrial Production and 17% of the country's total exports. (Source: Textile India Progress Magazine).

As per current estimation, size of Indian Textile Industry is around \$110 billion. But the Government of India through its National Textile Policy and National Textile Vision Document has set the target for Indian Textile and Apparel Industry to \$ 350 billion by 2025 (domestic \$200

overall supportive in encouraging the textile industry in India. To keep this sector competitive, various policies and incentives were announced by the Government from time to time. Some of initiatives taken to further promote the industry include; it has allowed 100 per cent FDI in the Indian textiles sector under the automatic route. The Government has introduced the Amended Technology Up-gradation Fund Scheme (ATUFS) to give further boost for technology investment in the textile industry. The ATUFS targets employment generation, exports, conversion of existing looms to better quality technology looms and improved quality of processing industry. The amended scheme would give a boost to "Make in India" in the textiles sector; it is expected to attract more investment opportunities which would help in achieving Prime Minister vision of creating more jobs. The Government of India has implemented several export promotion measures such as Focus Market Scheme, Focus Product Scheme and Market Linked Focus Product Scheme for increasing share of India's textile exports. Textile and garment industry has been included in the list of 25 sectors of 'Make in India' initiative of the Government of India. The Government of India is expected to soon announce a new National Textiles Policy. With the right Government policies, we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market.

Management Perception of Opportunities/ Risk/ Concern/Threat

China is the world leader in the textile and apparel Industry. But recently it has been observed that is moving up in the value chain and is exporting to US, EU and other countries. Further a significant global supply chain alteration is expected from the recent shift of China towards a service economy. South East Asian Countries including India are expected to get benefit from this shift. The shift from China to India 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 for the World.

The Developed Countries including US, UK, Germany and Japan all have accepted the reality that commercially it is not viable for them to have a thriving textile industry because of high cost of labour and skilled man power. These countries are looking at India as suitable and reliable choice for their requirement of garments. This is a huge opportunity and it must be grabbed by the Indian Textile Industry so that it can increase its share in the global market.



No industry is free from normal business risk. In spite of several factors contributing to the growth of the Indian textile industry, there are certain challenges being faced by the Indian textile industry. Indian textile industry is facing tough competition from other Asian countries like Bangladesh, Vietnam, Pakistan and Sri Lanka due to favorable tariff structures on exports to developed markets like the US, EU, Canada, Australia; etc poses a significant challenge to Indian exports. Scarcity of trained manpower, escalating power costs, high transportation costs, inflexible labour laws are all hindering the progress of the industry. The input costs are continuously increasing without commensurate increase in selling prices. The high rate of interest and tight monetary policy are affecting the financial performance of the Textile Industry. The favorable exchange rate has provided a short term relief to the exporters but the situation is not likely to continue in future. The Reserve Bank of India has started taking steps to stabilize the Rupee as stable currency is not only good for the industry but for the country as well.

Cotton is the primary raw material for the textile industry. Cotton being an agriculture produce, its supply and quality are depend on Monsoon. Any increase in price of raw cotton will make the things difficult for the textile industry resulting weak demand and thin margins. Thus availability of raw cotton at the reasonable prices is crucial for the textile industry. Any significant change in the raw cotton prices can affect the performance of the industry. This year less acreage of land under cotton cultivation is likely to affect the cotton output. As per Cotton Advisory Board, domestic cotton production is estimated to go down by 7.4 per cent to 35.2 million bales (of 170 kg) in the 2015 16 seasons (October-September). Globally too, cotton output is estimated to be lower by 18 per cent to 98.1 million bales in the 2016 calendar year, as per the United States Department of Agriculture. (Source: economictimes.indiatimes.com).

China is the leading player in the textile sector. China has stopped importing cotton and cotton yarn due to change in its cotton policy; providing direct subsidy to farmers and liquidating significant inventory built earlier. China had reduced its import of cotton which had a bearish effect on global cotton price. Performance of the Indian textiles companies was affected by the price fall in the cotton following the newly enacted Chinese policy which has boosted yarn production activity in China. In terms of the global trade picture with respect to cotton, government policies in China and India will play a role in the outlook for the coming year.

Outlook

In-spite of several impediments of growth, India has enabled to maintain a steady growth in textile industry. To curb the challenging times ahead for textile industry, the Government must support the industry to retain its competitive edge and face the challenges for its sustainability. For India though the long term prospects for continued growth remain there, actual pace will depend on revival in private sector investment, rural consumption and continued implementation of economic reforms. Nevertheless, the government has made progress in the key areas such as energy, announced major reforms to liberalize FDI in several sectors and also paved the way for implementation of one key critical legislative reform - GST.

China is gradually losing its competitive advantage in textiles mainly on account of increasing labour & power costs, the appreciating Yuan and focus on the domestic market with high value products. The shift from China to India 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 for the World. The decline in China's market share in textiles provides an opportunity for India to excel in this sector. The Indian textile industry has the capacity to produce a wide verity of products suitable to different market segments both within India and across world. There is scope for growth in the Textile Industry as India's share in the global trade in textiles is weak. The industry is taking all steps to promote textile exports, which is the need of the hour.

Irrespective of a handful of unfavorable conditions, the future appears bright for the Indian textile industry. In mid-long term, the Indian textile industry is expected to grow strongly with growth being balanced from both domestic consumption as well as exports demand. The prospects of long term growth in Indian textile industry remain strong. Textile and garment industry has been included in the list of 25 sectors of 'Make in India' initiative of the Government of India. Further, the growing Indian economy, huge consumer base and rising disposable income would also favors for the growth of the Indian textile industry.

Your Company has positioned itself as integrated textile player to reap the benefits of economies of scale and become competitive in terms of cost and quality. The management of the company is making all efforts to meet the prevailing concern by focusing its efforts on improving operational parameters and effective raw material procurement and marketing strategies to reduce the cost pressure. The Company keeps reviewing its strategy in the light of changes.

**Industry Structure/ Development (Sugar)**

Sugar is an integral part of rural economy and a sector of significant importance to national economy. The Indian Sugar Industry is characterized by the co-existence of private, Co-operative and public sector. It is second largest agro based industry after textiles. India is the second largest producer of sugar and largest consumer of sugar in the world. As the sector affects large number of people, its sustainability/ development is the responsibility of all stakeholders. In the last few years, the Indian sugar industry has produced surplus sugar over its domestic requirement. There was surplus stock of sugar at the beginning of the financial year 2015-16. The export of sugar was not viable due to subdued international sugar prices and low realization from sale of sugar in the domestic market has led to building of sugar stocks with the mills. Sugar Companies were under severe pressure as sugar prices were very low and the companies were not able to recover the cost of production. This has affected the financial health of the companies. The Government has tried to revive the sugar industry by implementing certain measures. The improvement in the sugar prices were seen at the end of year when sugar prices were just reached closer to the cost of production. Due to rise in prices of sugar, the Production subsidy scheme notified in December 2015 has withdrawn by Government. Further to keep the domestic prices of sugar under check the Govt. has decided to impose export duty of twenty percent on the export of sugar to restrict exports, following rise in global prices of sugar.

Management Perception of Risk/concern/Threat

Sugar is a cyclical business and is largely dependent on climatic factors, demand-supply position and government policies including sugarcane pricing. High sugar production in the country results in softening of sugar prices, which in turn adversely affects the profitability of the sugar mills. Conversely lower production generally results in better sugar profitability due to higher sugar prices. Uneconomical cane pricing has affected the financial health of sugar mills as sugarcane is preferred crop by the farmers as it is backed by the Government in terms of favourable prices for cane through Fair and Remunerative price (FRP)/State Advisory price (SAP) mechanism which has helped it to generate competitive returns as compared to other crops. The lack of alignment between the cost of main raw material (sugarcane) and recovered price of the processed product (sugar) is the major concern for the sugar industry. The implementation of Rangarajan Committee's recommendations for the sugar industry mandating sugarcane prices to be linked to the realization of sugar and its by-products is still awaited.

Outlook

Sugar prices were very low at the beginning of the FY 2015-16. Due to positive steps taken by the Government and lower global/ domestic production estimates, sugar prices improved at the end of the year which helped to revive the prospects of the Indian sugar Industry. India's relatively strong economic growth, changing consumer consumption patterns and rising incomes are envisaged to be the key drivers encouraging higher consumption of sugar. The sugar sector has tremendous opportunities to meet food, fuel and power needs. For this to happen, supportive policy regime is required both at the Central and State Government levels. To make Indian sugar industry competitive, the government should rationalize cane pricing policy at par with norms across the world. The government should develop sustainable mechanism to dispose-off the surplus sugar. The much awaited reforms by the Government in the sugar sector and resumption of normal economic growth in the sugar sector would help the companies to show better results.

Segment wise/Financial/Operational Performance

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

Internal Control System and Their Adequacy

The Company is having adequate internal financial control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures optimal utilization and protection of Company's resources. The Internal Auditors monitors and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and also ensures that the internal control systems are properly followed by all concerned departments of the Company. Significant audit observations and corrective actions 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. The total permanent employee's strength was 11465 as 31/03/2016. The industrial relations were cordial and satisfactory. Cautionary Statement Through the statement and view expressed in the said report are on the basis of the best judgment but actual results might differ from whatever is stated in the report.

For and on behalf of the Board of Directors

**Place: Ludhiana
Dated: 29th August, 2016**

**Jawahar Lal Oswal
Chairman**

**Independent Auditor's Report****To the Members of****Nahar Industrial Enterprises Limited.****Report on the Standalone Financial Statements**

We have audited the accompanying (Standalone) financial statements of Nahar Industrial Enterprises Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the (Standalone) Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these (Standalone) financial statements based on our audit.

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements (Standalone) give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Raj Kumar Gupta
(Partner)

M. No. : 017039

Place : Ludhiana
Dated : 30th May, 2016



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements."**

The Annexure referred to in Independent Auditor's Report to the members of the company on the standalone financial statements for the year ended 31st March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of regular intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its business. The fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) (a) According to information and explanations given, the management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted loans, or given guarantees and security. So the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company and these records and accounts have been maintained by the company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2016 for a period of more than six months from the date on when they become payable.

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

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Forum where dispute is pending
The Tamil Nadu General Sales Tax Act, 1959	Sales Tax Demand	9.43	Dy. Commissioner Appeals Sale Tax, Madras
The Punjab VAT Act, 2005	Sales Tax Demand	20.99	Commissioner of Sale Tax, Patiala
	Sales Tax Demand	36.75	Sale Tax Tribunal, Chandigarh
The Central Excise Act, 1944	Excise Duty Demand	303.31	Commissioner Appeals, Chandigarh
	Excise Duty Demand	23.81	CESTAT, Delhi
	Excise Duty Demand	47.54	Commissioner Appeals, Jaipur
	Excise Duty Demand	13.39	CESTAT, Jaipur
The 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	162.01	Commissioner Appeals, Chandigarh
The Income Tax Act, 1961	Income Tax	1,175.84	CIT (Appeals), 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.
- (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. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;



- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

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

Place : Ludhiana
Dated : 30th May, 2016

Annexure "B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Nahar Industrial Enterprises Limited.

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

We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material



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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

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 Raj Gupta and Co.
Chartered Accountants
FRN : 000203N

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

Place : Ludhiana
Dated : 30th May, 2016



BALANCE SHEET AS AT 31st MARCH, 2016

PARTICULARS	NOTE NO.	As At	
		31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	400,342	400,342
Reserves and Surplus	3	<u>5,775,218</u>	<u>5,394,206</u>
		6,175,560	5,794,548
Non-Current Liabilities			
Long Term Borrowings	4	3,495,281	4,208,719
Deferred Tax Liability (net)	5	145,601	218,101
Other Long Term Liabilities	6	66,064	77,181
Long Term Provisions	7	<u>47,966</u>	<u>57,101</u>
		3,754,912	4,561,102
Current Liabilities			
Short Term Borrowings	8	4,997,732	4,093,391
Trade Payables	9	502,909	1,047,046
Other Current Liabilities	10	1,369,166	1,912,720
Short Term Provisions	11	<u>137,904</u>	<u>73,345</u>
		7,007,711	7,126,502
TOTAL		<u>16,938,183</u>	<u>17,482,152</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	5,557,415	6,130,208
Intangible Assets		11,688	17,125
Capital Work-in-Progress		183,138	398,702
Non-Current Investments	13	1,383,441	1,383,441
Long Term Loans and Advances	14	<u>118,703</u>	<u>114,012</u>
		7,254,385	8,043,488
Current Assets			
Inventories	15	6,563,576	6,396,778
Trade Receivables	16	1,839,770	1,741,818
Cash and Cash Equivalents	17	34,352	34,440
Short Term Loans and Advances	18	349,380	223,440
Other Current Assets	19	<u>896,720</u>	<u>1,042,188</u>
		9,683,798	9,438,664
TOTAL		<u>16,938,183</u>	<u>17,482,152</u>

Notes Forming Part of the Financial Statements

1 to 40

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated :30th May, 2016

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-
Managing Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	NOTE NO.	Current Year (₹ in '000)	Prevoius Year (₹ in '000)
INCOME			
Revenue from Operations (gross)	20	17,826,428	18,074,009
Less: Excise Duty		69,378	44,462
Revenue from Operations (net)		<u>17,757,050</u>	<u>18,029,547</u>
Other Income	21	45,266	56,646
Total Revenue		17,802,316	18,086,193
EXPENSES			
Cost of Material Consumed	22	8,976,856	9,656,627
Purchases of Stock-in-trade	23	100,694	56,110
Changes in Inventories of Finished Goods, Work-in Progress and stock-in-trade	24	419,971	305,159
Employee Benefits Expense	25	1,696,742	1,590,805
Finance Costs	26	776,265	1,048,793
Depreciation	12	899,709	1,352,406
Other Expenses	27	4,373,123	4,428,663
Total Expenses		17,243,360	18,438,563
Profit /(Loss) Before Tax		558,956	(352,370)
Tax Expenses			
- Current Tax		202,500	7,706
- Deferred Tax		(72,500)	(80,008)
Profit /(Loss) for the Year		428,956	(280,068)
Basic and diluted earnings per equity share (Face value of equity share ₹ 10 each)	33	10.77	(7.03)
Notes Forming Part of the Financial Statements	1 to 40		

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,
Chartered Accountants
FRN : 000203N

R.K.Gupta
Partner

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director

Kamal Oswal
Vice Chairman-cum-
Managing Director

M.No. : 017039

Place : Ludhiana

Dated :30th May, 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

PARTICULARS	2015-16 (₹ In '000)	2014-15 (₹ In '000)
(A) Cash Flow from Operating Activities		
Net profit/(Loss) before Tax	558,956	(352,370)
Adjustment for:		
Depreciation	899,709	1,352,406
Sundry balances written back (Net)	13,459	(6,929)
Profit on sale of Fixed Assets (Net)	(5,649)	(12,969)
Dividend Received	(4,402)	(4,402)
Interest Income	(23,245)	(19,529)
Interest Expense	776,264	1,048,793
Operating Profit before Working Capital Changes	2,215,092	2,005,000
Adjustment for:		
Trade & other receivable	(173,068)	405,567
Inventories	(166,798)	(71,425)
Trade Payables	(596,777)	628,385
Cash Generated from operations	1,278,449	2,967,527
Direct Taxes Paid	(127,107)	(24,586)
Net Cash from Operating Activities	1,151,342	2,942,941
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(147,934)	(590,175)
Sale of Fixed Assets	47,669	37,227
Sale of investments	--	7,162
Interest Received	23,245	19,529
Dividend Received	4,402	4,402
Net cash used in Investing Activities	(72,618)	(521,855)
(C) Cash Flow from Financing Activities		
Interest paid	(776,264)	(1,048,793)
Dividend paid	(2,207)	(39,755)
Corporate dividend tax	--	(6,770)
Proceeds from Long Term Borrowings (Net)	(1,204,682)	(785,064)
Changes in Working Capital Borrowings	904,341	(531,086)
Net Cash used in Financing Activities	(1,078,812)	(2,411,468)
Net Change in Cash & Cash Equivalents (A+B+C)	(88)	9,618
Opening Cash & Cash Equivalents	34,440	24,822
Closing Cash & Cash Equivalents	34,352	34,440

Notes :

- 1 Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
- 2 Figures in brackets represent deduction.

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated : 30th May, 2016

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-

Managing Director

**Notes to Financial Statements for the year ended 31st March, 2016****1. SIGNIFICANT ACCOUNTING POLICIES****a) Accounting Convention:**

The financial statements, other than the cash flow statement, are prepared on accrual basis under the historical cost convention treating the entity as a going concern and in accordance with the applicable Accounting Standards under Section 133 of the Companies Act, 2013.

b) Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost comprises purchase price/construction cost, including non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. The borrowing costs in respect of qualifying assets incurred till the asset is ready for its intended use and adjustments arising out of exchange rate variations attributable to fixed assets are capitalized.

c) Depreciation:

1. Depreciation on fixed assets is charged on the written down value method, except in case of Arham Spinning Mills, Lalru. In case of new projects and major expansion of the existing units undertaken by the Company after 01.04.2005 till 31.03.2012, depreciation is charged on the straight line method, on the basis of useful life of such assets specified in Schedule -II of the Companies Act, 2013.
2. The cost of computer software capitalized is amortised over a period of 4 years.

d) Impairment of Assets:

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired in terms of Accounting Standard 28 issued by Institute of Chartered Accountants of India (ICAI). If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account and charged to the Statement of Profit & Loss. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of recoverable amount of an asset.

e) Revenue Recognition:

- Revenue from sale of goods is recognized at the point of passing of title of the goods to the customer which generally coincides with delivery.
- Sale value is inclusive of excise duty paid at the time of clearance of goods but exclusive of sales tax.
- Export sales are accounted for on the basis of date of bill of lading.
- Revenue in respect of export incentives is recognized when such incentives accrue upon export of goods.

f) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower after providing for obsolescence, if any. The cost in respect of various items of inventory is determined as under :-

- In case of raw materials and stores & spares, at weighted average cost.
- In case of work-in-progress, at the raw material cost plus conversion cost depending upon the stage of completion of goods.
- In case of finished goods, at the raw material cost, conversion cost and other overheads incurred to bring the goods to their present location and condition plus excise duty, wherever applicable.

g) Investments:

Long-term investments are carried at cost less provisions, if any, for permanent diminution in value. Current investments are carried at lower of cost or fair value.

**Notes to Financial Statements for the year ended 31st March, 2016****h) Foreign Exchange Transactions:**

Transactions in foreign currency are recorded at the exchange rates prevalent at the time of transaction. Foreign currency assets and liabilities are stated at the exchange rates prevailing at the date of Balance Sheet or at forward contract rates, wherever so covered. Realized gains or losses on foreign exchange transactions, other than those relating to fixed assets, are recognized in the Statement of Profit and Loss. The difference in foreign exchange rates in the case of fixed assets is adjusted to the cost of fixed assets.

i) Accounting for taxes on Income:

Provision for current tax is made on the basis of aggregate amount of income tax actually payable for the year on the estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from the timing differences between book profit and tax profit is accounted for at the enacted rate of tax to the extent that the timing differences are expected to reverse in future. Deferred Tax Assets are recognized only to the extent there is virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

j) Employee benefits:**1. Short-term employee benefits:**

Short-term employee benefits are recognized as an expense in the Statement of Profit & Loss in the year in which the related services are rendered by the employees.

2. Retirement benefits:**Defined contribution plans:**

Contributions to the employees' provident fund are made in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Such contributions are charged to the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined benefit plans:**Gratuity:**

Liability in respect of gratuity is accounted for on the basis of an independent actuarial valuation. The present value of defined benefit obligation as at the end of the year is determined using the Projected Unit Credit method i.e. each period of service rendered by the employee is considered to give rise to an additional unit of benefit entitlement, gradually building up the final obligation.

The company funds its gratuity liability through a qualifying group gratuity policy taken from the Life Insurance Corporation of India by an approved gratuity trust formed for the purpose. The difference between the present value of the obligation and the fair value of plan assets as at the end of the year is recognized in the financial statements.

k) Contingent Liabilities:

No provision is made for liabilities that are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the resulting loss can be made. However, all known, material contingent liabilities are disclosed by way of separate notes.

l) Miscellaneous Expenditure to the extent not written off:

Issue expenses are written off over a period of ten years.



Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At	
	31 st March, 2016 (₹ in '000)	31 st March, 2015 (₹ in '000)

2. Share Capital

Authorized:

65,000,000 Equity Shares of ₹10/- each (Previous Year 65,000,000)	650,000	650,000
Total	<u>650,000</u>	<u>650,000</u>

Issued, Subscribed and Fully Paid up :

39,835,141 Equity Shares of ₹10/- each (Previous Year 39,835,141)	398,351	398,351
Add: Share Forfeited Account (Amount originally paid up)	<u>1,991</u>	<u>1,991</u>
Total	<u>400,342</u>	<u>400,342</u>

a. Reconciliation of the number of equity Shares outstanding :

	AS AT 31 st March, 2016	AS AT 31 st March, 2015
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>

b. Terms/rights attached to equity shares :

The company has only one class of Equity Shares having Face value of ₹ 10/- each. Each holder of equity share is entitled to only one vote per share.

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

Shareholders	As At		As At	
	31 st March, 2016	% of holding	31 st March, 2015	% of holding
Nahar Capital & Financial Services Ltd.	9,336,745	23.44	9,336,745	23.44
J. L. Growth Fund Ltd.	3,421,836	8.59	3,421,836	8.59
Nahar Poly Films Ltd.	2,708,800	6.80	2,708,800	6.80
Vardhman Investments Ltd.	2,277,955	5.72	2,277,955	5.72
Oswal Woollen Mills Ltd.	2,094,819	5.26	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
Ashish Dhawan	2,590,124	6.50	2,590,124	6.50



Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
3. Reserves and Surplus		
Capital Subsidy Reserve		
Balance as per last Balance Sheet	21,000	21,000
Capital Reserve		
Balance as per last Balance Sheet	947,486	947,486
Capital Redemption Reserve		
Balance as per last Balance Sheet	192,500	192,500
Securities Premium Account		
Balance as per last Balance Sheet	3,345,408	3,345,408
General Reserve		
Balance as per last Balance Sheet	812,322	1,347,332
Add: Transfer from surplus/(deficit) in the Statement of Profit & Loss	<u>381,012</u>	<u>(535,010)</u>
	1,193,334	812,322
Contingent Liability Reserve		
Balance as per last Balance Sheet	75,490	155,392
Less: Transfer to surplus/(deficit) in the Statement of Profit & Loss	<u>--</u>	<u>79,902</u>
	75,490	75,490
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	--	--
Add : Profit/ (Loss) for the year	428,956	(280,068)
Add : Transfer from Contigent Liability Reserve	--	79,902
Less : Depreciation pursuant to enactment of schedule II of the Companies Act, 2013	--	334,844
Less : Proposed Dividend on Equity shares	39,835	--
Less : Corporate Dividend Tax	8,109	--
Less : Balance Transferred to General Reserve	<u>381,012</u>	<u>(535,010)</u>
Total	<u>5,775,218</u>	<u>5,394,206</u>



Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
4. Long Term Borrowings		
Term Loans (Secured)		
From Banks	2,955,074	3,703,321
Others (Unsecured)		
Loans And Advances from Related Parties	540,207	505,398
Total	<u>3,495,281</u>	<u>4,208,719</u>

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

As At 31 st March, 2016 (₹ in '000)	Repayment Period from origination (years)	Installments outstanding as on 31 st March, 2016	
		No.	Periodicity
85,386	4	3	Quarterly
78,665	4	3	Quarterly
300,000	3.5	14	Quarterly
300,000	3.5	14	Quarterly
24,164	8	1	Quarterly
7,668	8	4	Quarterly
75,940	8	12	Quarterly
884,800	8	16	Quarterly
122,712	8	16	Quarterly
242,390	8	17	Quarterly
1,051,461	8	21	Quarterly
197,363	5	20	Quarterly
187,250	8	5	Quarterly
16,313	8	4	Quarterly
68,370	8	15	Quarterly
39,060	5	20	Quarterly
108,900	4	16	Quarterly
99,678	3	12	Quarterly
186	3	10	Monthly
196	3	10	Monthly
203	3	11	Monthly
214	3	12	Monthly
222	3	12	Monthly
408	3	15	Monthly
421	3	24	Monthly
236	3	13	Monthly
<u>3,892,206</u>			

* Figures of term loan stated in para 4.1 (i) includes current maturities of long term debt shown separately in Note no 10.

**Notes to Financial Statements for the year ended 31st March, 2016**

PARTICULARS	As At 31st March, 2016 (₹ in '000)	As At 31st March, 2015 (₹ in '000)
(ii) Loans and Advances from related parties will be paid after three years.		
4.2 Term loan from IDBI Bank Limited, Canara Bank, State Bank of Patiala, State Bank of India, State Bank of Hyderabad, Allahabad Bank, Punjab National Bank, Punjab & Sind Bank and Corporation Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali, Industrial Focal Point, Phase VIII, Village Mundian, Distt. Ludhiana, Village Jalaldiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khijuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amluh, Distt. Fatehgarh Sahib (Punjab) including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.		
5. Deferred Tax Liability (net)		
Deferred tax liability		
Relating to fixed assets	156,229	237,863
Deferred tax assets		
Disallowance u/s 43B of the Income Tax Act, 1961	10,628	19,762
Total	145,601	218,101
6. Other Long Term Liabilities		
Security deposits	45,065	45,426
Other liabilities	20,999	31,755
Total	66,064	77,181
7. Long Term Provisions		
Provision for Employee Benefits		
Provision for gratuity	47,966	57,101
Total	47,966	57,101
8. Short-Term Borrowings		
Loans repayable on demand		
Working capital borrowings from banks (Secured)	4,997,732	4,093,391
Total	4,997,732	4,093,391

8.1 Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd charge on Fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.

**Notes to Financial Statements for the year ended 31st March, 2016**

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
9. Trade Payables		
Micro, Small and Medium Enterprises	--	--
Others	502,909	1,047,046
Total	502,909	1,047,046

9.1 In response to the letters sent to the suppliers seeking to know the status of their coverage under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) the Company has received replies from some of the suppliers.

Disclosures as required under Section 22 of the MSMED Act, 2006 are given below:

Particulars	Current year	Previous year
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	--	--
- Interest thereon	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	--	--
The amount of interest accrued and remaining unpaid.	--	--
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	--	--

**Notes to Financial Statements for the year ended 31st March, 2016**

PARTICULARS	As At 31st March, 2016 (₹ in '000)	As At 31st March, 2015 (₹ in '000)
10. Other Current Liabilities		
Current maturities of long-term debt	937,132	1,428,376
Unclaimed dividend	9,807	12,014
Other Payables		
- Statutory dues	37,674	37,262
- Advance from customers/others	21,488	18,696
- Due to Employees	212,844	197,141
- Others	150,221	219,231
Total	<u>1,369,166</u>	<u>1,912,720</u>

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

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

Leave encashment **12,340** 20,670

Other provisions

Proposed dividend **39,835** --

Corporate dividend tax **8,109** --

Excise duty on closing stock **77,620** 52,675

Total **137,904** **73,345**



Notes to Financial Statements for the year ended 31st March, 2016

12. FIXED ASSETS

(₹ in '000)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	As at 01.04.2015	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2016	Upto 31.03.2015	Provided during the year	Transfer to Retained Earning back during the year	Adjusted/ Written back during the year	Total Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS											
Leasehold Land	31,122	--	--	31,122	--	--	--	--	--	31,122	31,122
Freehold Land	740,715	95,711	--	836,426	--	--	--	--	--	836,426	740,715
Building	3,541,468	95,275	39,935	3,596,808	1,378,658	132,168	--	--	1,510,826	2,085,982	2,162,810
Plant & Machinery	13,872,465	158,142	28,218	14,002,389	10,766,045	731,792	--	27,261	11,470,576	2,531,813	3,106,420
Furniture & Fixtures	90,111	1,288	166	91,233	45,936	12,107	--	98	57,945	33,288	44,175
Office Equipment	96,247	7,536	716	103,067	78,159	9,871	--	578	87,452	15,615	18,088
Vehicles	66,072	5,546	5,536	66,082	39,194	8,334	--	4,615	42,913	23,169	26,878
TOTAL(A)	18,438,200	363,498	74,571	18,727,127	12,307,992	894,272	--	32,552	13,169,712	5,557,415	6,130,208
INTANGIBLE ASSETS											
Computer Software	45,831	--	--	45,831	28,706	5,437	--	--	34,143	11,688	17,125
TOTAL(B)	45,831	--	--	45,831	28,706	5,437	--	--	34,143	11,688	17,125
TOTAL(A+B)	18,484,031	363,498	74,571	18,772,958	12,336,698	899,709	--	32,552	13,203,855	5,569,103	6,147,333
Previous Year	18,035,906	534,247	86,122	18,484,031	10,684,095	1,352,406	362,061	61,864	12,336,698	6,147,333	7,351,811

**Notes to Financial Statements for the year ended 31st March, 2016**

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
13 . NON-CURRENT INVESTMENTS		
I. TRADE INVESTMENTS		
INVESTMENT IN EQUITY SHARES		
Investment in Others (Quoted)		
2,356,930-Fully paid up Equity Shares of ₹ 5/- each of Nahar Spinning Mills Limited (Previous Year 2,356,930)	241,003	241,003
1,264,720-Fully paid up Equity Shares of ₹ 5/-each of Nahar Poly Films Limited (Previous Year 1,264,720)	63,525	63,525
1,363,221-Fully paid up Equity Shares of ₹ 5/-each of Nahar Capital and Financial services Limited (Previous Year 1,363,221)	190,820	190,820
II. OTHERS INVESTMENTS		
(i) INVESTMENT IN EQUITY SHARES		
(a) Investment in Others (Quoted)		
30,900-Fully paid up Equity Shares of ₹ 10/- each of BPL Engineering Limited (Previous Year 30,900).	280	280
22,500-Fully paid up Equity Shares of ₹ 10/- each of Pertech Computer Limited (Previous Year 22,500)	23	23
12,555-Fully paid up Equity Shares of ₹ 10/- each of Pasupati Acrylon Limited (Previous year 12,555)	94	94
7,700-Fully paid up Equity Shares of ₹ 10/- each of R.S.Petro Chemical Limited (Previous Year 7,700)	8	8
50-Fully paid up Equity Shares of ₹ 10/- each of Malwa Cotton & Spinning Mills Limited (Previous year 50)	2	2
(b) Investment in Associates (Unquoted)		
180,000- Fully Paid Up Equity Shares of ₹ 100/- each of J.L.Growth Fund Limited (Previous Year 180,000)	168,480	168,480
250,000 Fully Paid Up Equity Shares of ₹100/- each of Vardhman Investment Limited (Previous Year 250,000)	147,500	147,500



Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
164,000-Fully Paid Up Equity Shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	106,600	106,600
10,729,474-Fully Paid Up Equity Shares of ₹ 10/- each of Cotton County Retail Limited (Previous year 10,729,474)	397,892	397,892
(c) Investment in Others (Unquoted)		
3,360-Fully Paid Up Equity Shares of ₹ 100/- each of Nagdevi Trading & Investment Co. Limited. (Previous year 3,360)	51	51
3,558,786 -Fully Paid Up Class-'A' Equity Shares of ₹ 10/- each of VS Lignite Power Pvt Ltd (Previous year 3,558,786)	35,588	35,588
One Fully Paid Up Equity Share of ₹ 100 of Punjab State Co-operative Bank Limited (Previous Year One) (Cost ₹ 100)	--	--
One Fully Paid Up Equity Share of ₹ 5,000/- of Krishna Building Owners' Association (Previous Year One)	5	5
(ii) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted)		
3,156,958 Fully Paid Up Class 'A' 0.01% Cumulative Redeemable Preference Shares of ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous year 3,156,958)	31,570	31,570
TOTAL	1,383,441	1,383,441
1. Aggregate amount of Quoted Investments	495,755	495,755
2. Market Value of Quoted Investments	335,571	317,809
3. Aggregate amount of Unquoted Investments	887,686	887,686



Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
14. Long Term Loans and Advances (Unsecured considered good)		
Capital advances	1,285	1,285
Security deposits	117,418	112,727
Total	118,703	114,012
15. Inventories (As Taken, Valued and Certified By The Management)		
Raw Materials	3,342,513	2,707,688
Work-in-Progress	488,564	477,912
Finished Goods	2,465,150	2,895,773
Stores and Spares	267,349	315,405
Total	6,563,576	6,396,778
15.1 Detail of Inventory-Finished Goods		
Yarn	545,024	580,515
Fabrics	857,576	999,551
Sugar	993,116	1,188,455
Other	69,434	127,252
Total	2,465,150	2,895,773
16. Trade Receivables (Unsecured Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	46,447	10,649
Others	1,793,323	1,731,169
Total	1,839,770	1,741,818
17. Cash and Cash Equivalents		
Balance with banks:		
In current accounts	9,608	11,086
In unpaid dividend accounts	9,807	12,014
Deposit with more than 3 months but less than 12 months maturity	371	354
Cash in hand	14,566	10,986
Total	34,352	34,440
18. Short Term Loans and Advances (Unsecured considered good)		
Prepaid expenses	22,793	20,255
Advances to suppliers	315,888	190,760
Loans and advances to employees	9,532	11,382
Others	1,167	1,043
Total	349,380	223,440
19. Other Current Assets (Unsecured considered good)		
Advance Income tax(Net of Provision)	19,978	95,372
Balances with government authorities	282,209	297,611
Others	594,533	649,205
Total	896,720	1,042,188



Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
20. Revenue from Operations		
Sale of Products	17,704,090	17,866,375
Other Operating Income	8,549	105,707
Export Incentives	113,789	101,927
Revenue from Operations (gross)	17,826,428	18,074,009
Less: Excise Duty	69,378	44,462
Revenue from Operations (net) Total	17,757,050	18,029,547
20.1 Details of Products Sold		
Yarn	8,682,546	9,177,870
Fabrics	7,165,017	7,125,509
Sugar	1,509,331	1,083,096
Others	347,196	479,900
Total	17,704,090	17,866,375
21. Other Income		
Interest income	23,245	19,529
Dividend Income	4,402	4,402
Other non-operating income	17,619	32,715
Total	45,266	56,646
22. Cost of Material Consumed		
Opening Stock	2,707,688	2,377,873
Add : Purchases	9,611,681	9,986,442
Less: Closing Stock	3,342,513	2,707,688
Total	8,976,856	9,656,627
22.1 Detail of cost of Material Consumed		
Fibres	7,468,910	7,994,788
Yarn	324,408	344,885
Sugarcane	1,032,350	1,146,825
Others	151,188	170,129
Total	8,976,856	9,656,627
23. Detail of Purchase of Stock-in-Trade		
Yarn	93,599	50,091
Fabrics	5,608	5,056
Garments	1,487	963
Total	100,694	56,110
24. Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	477,912	505,957
Finished goods	2,895,773	3,172,887
Closing Stock		
Work-in-progress	488,564	477,912
Finished goods	2,465,150	2,895,773
Total	419,971	305,159



Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
25. Employee Benefits Expense		
Salary, Wages and Other Allowances	1,517,997	1,402,396
Contribution to provident and other funds	158,799	167,379
Staff welfare expenses	14,942	16,021
Staff Recruitment & Development expenses	5,004	5,009
Total	1,696,742	1,590,805
25.1 Employee benefits		
The detail of employee benefits with regard to gratuity, a funded defined benefit plan, are given here :		(₹ in '000)
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of year	225,334	166,467
Current Service Cost	34,075	26,705
Interest Cost	16,742	14,624
Actuarial Loss	(730)	34,287
Benefits paid	(21,384)	(16,749)
Present value of obligation at the end of the year	254,037	225,334
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	168,233	141,777
Expected return of plan assets	16,101	13,327
Contributions	42,722	29,348
Benefits paid	(21,384)	(16,749)
Actuarial gain	399	530
Fair value of plan assets at the end of the year	206,071	168,233
Net (Liability) / Asset recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	254,037	225,334
Fair value of plan assets at the end of the year	206,071	168,233
Net (Liability) / Asset recognised in the Balance Sheet	(47,966)	(57,101)
Expense recognised in the Statement of Profit and Loss		
Current service cost	34,075	26,705
Interest cost on benefit obligation	16,742	14,624
Expected return on plan assets	(16,101)	(13,327)
Net Actuarial Loss/Gains recognised in the year	(1,129)	33,757
Net gratuity cost	33,587	61,759
Actuarial assumptions		
Discount rate	7.70%	7.80%
Expected rate of return on plan assets	9.00%	9.00%
Long term rate of compensation increase	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. Discount rate is based on market yields prevailing on government bond as at 31st March, 2016 for the estimated term of defined benefit obligation.



Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
26. Finance Costs		
Interest Expense	739,768	939,860
Other Borrowings Cost	36,497	29,031
Foreign Exchange Hedging Loss (Net of Premium Receipts)	--	79,902
Total	776,265	1,048,793
27. Other Expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	1,458,712	1,426,557
Power and Fuel	2,225,141	2,358,675
Handling and Restacking charges	39,339	39,984
Machinery Repairs and Maintenance	41,624	32,967
Excise duty on stocks	24,944	5,193
Sub Total	3,789,760	3,863,376
b. Administrative & Other Expenses		
Rent	3,394	3,059
Rates & Taxes	31,198	9,734
Insurance	30,033	35,699
Legal & Professional Expenses	12,238	10,870
Travelling & Conveyance*	53,806	48,065
Vehicle Repair & Maintenance	10,421	11,559
Payment To Auditor	1,677	1,678
Directors Remuneration	2,688	2,688
Director Meeting Fee	366	343
Repairs and Maintenance	26,125	29,039
Loss on Sale/discard of Fixed Assets	12	490
Charity & Donation	57	5
Corporate Social Responsibility Expenses	1,753	--
Miscellaneous Expenses	39,516	31,514
Sub Total	213,284	184,743
* Include Directors Travelling of ₹ 3,533 thousands (Previous Year ₹ 1,899 thousands)		
c. Selling Expenses		
Forwarding and Octroi	192,452	202,525
Commission & Brokerage	91,739	98,772
Rebate and Discount	56,966	53,306
Other Selling Expenses	28,922	25,941
Sub Total	370,079	380,544
Total (a+b+c)	4,373,123	4,428,663
27.1 Payment to auditor		
As Auditor:		
Audit fee	998	901
Tax audit fee	320	314
In other capacity	281	387
Reimbursement of expenses	78	76
Total	1,677	1,678

**Notes to Financial Statements for the year ended 31st March, 2016****28) CONTINGENT LIABILITIES NOT PROVIDED FOR :**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances/ Letter of credit issued) ₹1,076.15 Lacs (Previous year ₹5,398.67 Lacs).
- b) Letter of Credits in favour of suppliers and others ₹ 2,408.62 Lacs (Previous year ₹ 694.98 Lacs).
- c) Bank Guarantees in favour of suppliers and others ₹ 1,803.22 Lacs (Previous year ₹ 1,159.11 Lacs).
- d) Sales tax demands against which the company has preferred appeals ₹ 67.17 Lacs (Previous year ₹ 67.17 Lacs).
- e) Income tax demands against which the company has preferred appeals ₹ 1,175.84 Lacs (Previous year ₹ 646.83 Lacs).
- f) The Central Excise Authorities have issued show cause notices to the Company for ₹ 603.16 Lacs on various matters under the Central Excise Rules (Previous year ₹ 819.44 Lacs). The Company has filed suitable replies with the concerned authorities.
- g) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 3,124.90 Lacs (Previous year ₹ 8,681.30 Lacs) in favour of the President of India for fulfillment of its obligations under the rules made under Central Excise Act, 1944 and Customs Act, 1962.
- h) Claims of ₹ 3,525.40 Lacs (Previous year ₹ 3,525.40 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.

29) The Company has undertaken export obligations of ₹ 49,246.31 Lacs (Previous year ₹ 67,461.51 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 ₹ 47,666.62 Lacs (Previous year ₹ 65,881.82 Lacs) have been fulfilled up to 31st March, 2016.

30) Advances include ₹ 27.76 Lacs (Previous year ₹ 27.76 Lacs) paid to the machinery supplier that are under dispute. The matter is pending in the Delhi High Court.

31) In the opinion of the Board of Directors, the Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet, unless stated otherwise.

32) Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2016 for ₹ 4,474.56 Lacs (Previous year ₹ 5,723.35 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.

33) Earnings Per Share (EPS)

(₹ In Lacs)

	2015-16	2014-15
Profit/loss after Tax (₹ in Lacs)	4,289.56	(2,800.68)
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 (₹)	10.77	(7.03)

**Notes to Financial Statements for the year ended 31st March, 2016**

- 34) The Company was diversifying its business by installing a distillery unit at Village Salana Jeon Singh Wala, Tehsil Amloh, District Fatehgarh Sahib. However because of strategic reason, the Company has abandoned this project.
- 35) Segment Information as required by Accounting Standard 17 "Segment Reporting" issued by the ICAI and compiled on the basis of the financial statements is as under :-

	(₹ In Lacs)			
	Textile	Sugar	Others	Total
Segment Revenue				
Total Revenue	161,100.08	15,618.24	73.30	176,791.62
Less: Inter Segment Revenue				444.50
Net Revenue				176,347.12
Segment Results				
Profit/ (Loss) before exceptional items, interest and tax	12,524.85	894.05	(49.16)	13,369.74
Less : interest				7,762.65
Profit before tax				5,607.09
Capital Employed				
Segment Assets- Segment Liabilities	84,708.37	7,270.40	15,556.96	107,535.73

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

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

1 Associates

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

2 Key Management Personnel

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

3 Relatives of Key Management Personnel

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



Notes to Financial Statements for the year ended 31st March, 2016

4 Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control

Oswal Woollen Mills Ltd.
 Nahar Spinning Mills Ltd.
 Nahar Capital and Financial Services Ltd.
 Nahar Industrial Infrastructure Corporation Ltd.
 Monte Carlo Fashions Ltd.
 Amloh Industries Ltd.
 Oswal Foundation
 Nagdevi Trading & Investment Co. Ltd.
 Vanaik Investors Ltd.
 Abhilash Growth Fund Pvt. Ltd.
 Nahar Growth Fund Pvt. Ltd.
 Hug Foods Pvt. Ltd.
 Retailerkart E-Venture Pvt. Ltd.
 Nahar Poly Films Ltd.*
 Kovlam Investment & Trading Co. Ltd.*
 Sankheshwar Holding Co. Ltd.*
 Vinayak Spinning Mills Ltd.
 Crown Star Ltd.*
 Neha Credit & Investment Pvt. Ltd.*
 Nahar Financial and Investment Ltd.*
 Simran & Shanaya Co. Ltd.*
 Sidhanth & Mannat Co. Ltd.*
 Palam Motels Ltd.*
 Monika Growth Fund Pvt. Ltd.*
 Ruchika Growth Fund Pvt. Ltd.*
 Girmar Investment Ltd.*
 Oswal Leasing Ltd.*
 Bermuda Insurance Brokers Pvt. Ltd.*
 Vigil Investment Pvt. Ltd.*
 Cabot Trading & Inv. Co. Pvt. Ltd.*
 Marble E-Retail Pvt. Ltd.*
 Survat Trading Co. Ltd.*

* No transaction has taken place during the year

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

(₹ In Lacs)

Particulars	Associates	Key Management Personnel (KMP)	Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control .	Relative of Key Management Personnel
Purchase of goods	24.76	--	4,447.98	--
Sales of Goods	1,034.64	--	24,118.86	--
Purchase of fixed assets	--	--	8.86	--
Sale of fixed assets	--	--	400.42	--
Sale of FMP/FMS license	--	--	88.73	--
Processing charges received	--	--	258.89	--
Processing charges Paid	--	--	4.11	--
Interest paid	502.11	--	--	--
Rent received	15.08	15.00	76.27	--
Rent paid	21.26	--	--	--
Dividend received	--	--	44.02	--
Purchase of Investment	--	--	5.00	--
Sale of Investment	--	0.70	2.90	1.40
Director Meeting Fee	--	--	--	0.70
Remuneration	--	60.20**	--	6.00
Loan Paid (Net)	143.98	--	--	--
Corporate Social Responsibility Expenses	--	--	17.53	--
Balance Receivable/Payable (net) as on 31.03.2016 (4,646.69)	--	--	--	--

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

**Notes to Financial Statements for the year ended 31st March, 2016****37) Expenditure in Foreign Currency**

PARTICULARS	2015-16 (₹ In '000)	2014-15 (₹ In '000)
a) Value of Import on CIF basis		
(i) Raw Material	352,745	80,722
(ii) Capital Goods & Stores	242,196	212,033
b) Expenditure in Foreign Currency		
(i) Travelling	4,430	2,117
(ii) Commission	31,769	28,238
(iii) Others	7,910	6,710

38) Earning in Foreign Currency

PARTICULARS	2015-16 (₹ In '000)	2014-15 (₹ In '000)
a) Earnings in Foreign Exchange		
i) F.O.B. Value of Exports	2,085,364	1,871,806

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

PARTICULARS	2015-16		2014-15	
	(₹ In '000)	%age	(₹ In '000)	%age
i) Raw Material				
Imported	397,683	4.43	62,587	0.65
Indigenous	8,579,173	95.57	9,594,040	99.35
ii) Consumables, Stores, Spares Parts & Components				
Imported	138,633	9.50	151,178	10.60
Indigenous	1,320,079	90.50	1,275,379	89.40

40) The previous year figures have been reclassified to confirm to this year's classification.

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated :30th May, 2016**Mukesh Sood**

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal OswalVice Chairman-cum-
Managing Director

**Independent Auditor's Report****To the Members of****Nahar Industrial Enterprises Limited.****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Nahar Industrial Enterprises Limited. (hereinafter referred to as "the Company") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the 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 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 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 financial statements by the Directors of the Company and its associates, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in

the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the company and its associates as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We audited the financial statements / financial information of three companies being an associates. The consolidated financial statements also include the company's share of net loss of ₹ 3.69 Crores for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of its three associates.

(b) We did not audit the financial statements / financial information of one company being an associate. The



Company's share of net profit of ₹ 10 Lac for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of its one associate. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, 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 reports of the other auditors and the financial statements / financial information certified by the Management.

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 all 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 financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the companies and its associate companies incorporated in India is disqualified as on 31st March, 2016 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 report in 'Annexure A' which is based on the auditor's reports of the Company and its associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company and its Associate companies incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company, and its associates - Refer Note 28 to the consolidated financial statements.
 - ii. The Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies incorporated in India.

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

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

Place : Ludhiana
Dated : 30th May, 2016

**"Annexure A" to the Independent Auditor's Report of even date on the CONSOLIDATED Financial Statements of Nahar Industrial Enterprises Limited.**

(Referred to in paragraph 1(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 financial statements of the company as of and for the year ended 31st March, 2016, We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited (hereinafter referred to as "the 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 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associate companies which are incorporated in India, in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 mis- statements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its associate companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March 31, 2016, 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.

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 Raj Gupta and Co.
Chartered Accountants
FRN : 000203N

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

Place : Ludhiana
Dated : 30th May, 2016



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

PARTICULARS	NOTE NO.	As At 31 st March, 2016 (₹ in '000)		As At 31 st March, 2015 (₹ in '000)	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	400,342		400,342	
Reserves and Surplus	3	<u>5,886,845</u>	6,287,187	<u>5,396,452</u>	5,796,794
Non-Current Liabilities					
Long Term Borrowings	4	3,495,281		4,208,719	
Deferred Tax Liability (net)	5	145,601		218,101	
Other Long Term Liabilities	6	66,064		77,181	
Long Term Provisions	7	<u>47,966</u>	3,754,912	<u>57,101</u>	4,561,102
Current Liabilities					
Short Term Borrowings	8	4,997,732		4,093,391	
Trade Payables	9	502,909		1,047,046	
Other Current Liabilities	10	1,369,166		1,912,720	
Short Term Provisions	11	<u>137,904</u>	7,007,711	<u>73,345</u>	7,126,502
TOTAL			<u>17,049,810</u>		<u>17,484,398</u>
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	12	5,557,415		6,130,208	
Intangible Assets		11,688		17,125	
Capital Work-in-Progress		183,138		398,702	
Non-Current Investments	13	1,495,068		1,385,687	
Long Term Loans and Advances	14	<u>118,703</u>	7,366,012	<u>114,012</u>	8,045,734
Current Assets					
Inventories	15	6,563,576		6,396,778	
Trade Receivables	16	1,839,770		1,741,818	
Cash and Cash Equivalents	17	34,352		34,440	
Short Term Loans and Advances	18	349,380		223,440	
Other Current Assets	19	<u>896,720</u>	9,683,798	<u>1,042,188</u>	9,438,664
TOTAL			<u>17,049,810</u>		<u>17,484,398</u>

**Notes Forming Part of the
Financial Statements**

1 to 42

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated :30th May, 2016

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-
Managing Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

PARTICULARS	NOTE NO.	Current Year (₹ in '000)	Previous Year (₹ in '000)
INCOME			
Revenue from Operations (gross)	20	17,826,428	18,074,009
Less: Excise Duty		69,378	44,462
Revenue from Operations (net)		<u>17,757,050</u>	<u>18,029,547</u>
Other Income	21	45,266	56,646
Total Revenue		17,802,316	18,086,193
EXPENSES			
Cost of Material Consumed	22	8,976,856	9,656,627
Purchases of Stock-in-trade	23	100,694	56,110
Changes in Inventories of Finished Goods, Work-in Progress and stock-in-trade	24	419,971	305,159
Employee Benefits Expense	25	1,696,742	1,590,805
Finance Costs	26	776,265	1,048,793
Depreciation	12	899,709	1,352,406
Other Expenses	27	4,373,123	4,428,663
Total Expenses		17,243,360	18,438,563
Profit /(Loss) Before Tax		558,956	(352,370)
Tax Expenses			
- Current Tax		202,500	7,706
- Deferred Tax		(72,500)	(80,008)
Profit /(Loss) after tax and before share of profit/(Loss) from associates		428,956	(280,068)
Share in profit/(Loss) of associates		(35,932)	2,246
Profit /(Loss) for the Year		393,024	(277,822)
Basic and diluted earnings per equity share (Face value of equity share ₹ 10 each)	33	9.87	(6.97)
Notes Forming Part of the Financial Statements	1 to 42		

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated :30th May, 2016

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-
Managing Director



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

PARTICULARS	2015-16 (₹ In '000)	2014-15 (₹ In '000)
(A) Cash Flow from Operating Activities		
Net profit/(Loss) before tax	523,024	(350,124)
Adjustment for:		
Depreciation	899,709	1,352,406
Sundry balances written back (Net)	13,459	(6,929)
Profit on sale of Fixed Assets (Net)	(5,649)	(12,969)
Dividend Received	(4,402)	(4,402)
Interest Income	(23,245)	(19,529)
Interest Expense	776,264	1,048,793
Share of profit & Loss of associates	35,932	(2,246)
Operating Profit before Working Capital Changes	2,215,092	2,005,000
Adjustment for :		
Trade & other receivable	(173,068)	405,567
Inventories	(166,798)	(71,425)
Trade Payables	(596,777)	628,385
Cash Generated from operations	1,278,449	2,967,527
Direct Taxes Paid	(127,107)	(24,586)
Net Cash from Operating Activities	1,151,342	2,942,941
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(147,934)	(590,175)
Sale of Fixed Assets	47,669	37,227
Sale of investments	--	7,162
Interest Received	23,245	19,529
Dividend Received	4,402	4,402
Net cash used in Investing Activities	(72,618)	(521,855)
(C) Cash Flow from Financing Activities		
Interest paid	(776,264)	(1,048,793)
Dividend paid	(2,207)	(39,755)
Corporate dividend tax	--	(6,770)
Proceeds from Long Term Borrowings (Net)	(1,204,682)	(785,064)
Changes in Working Capital Borrowings	904,341	(531,086)
Net Cash used in Financing Activities	(1,078,812)	(2,411,468)
Net Change in Cash & Cash Equivalents (A+B+C)	(88)	9,618
Opening Cash & Cash Equivalents	34,440	24,822
Closing Cash & Cash Equivalents	34,352	34,440

Notes :

- 1 Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
- 2 Figures in brackets represent deduction.

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated :30th May, 2016

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-

Managing Director

**Consolidated Notes to Financial Statements for the year ended 31st March, 2016****1. SIGNIFICANT ACCOUNTING POLICIES****a) Accounting Convention:**

The financial statements, other than the cash flow statement, are prepared on accrual basis under the historical cost convention treating the entity as a going concern and in accordance with the applicable Accounting Standards under Section 133 of the Companies Act, 2013.

b) Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost comprises purchase price/construction cost, including non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. The borrowing costs in respect of qualifying assets incurred till the asset is ready for its intended use and adjustments arising out of exchange rate variations attributable to fixed assets are capitalized.

c) Depreciation:

1. Depreciation on fixed assets is charged on the written down value method, except in case of Arham Spinning Mills, Lalru. In case of new projects and major expansion of the existing units undertaken by the Company after 01.04.2005 till 31.03.2012, depreciation is charged on the straight line method, on the basis of useful life of such assets specified in Schedule -II of the Companies Act, 2013.
2. The cost of computer software capitalized is amortised over a period of 4 years.

d) Impairment of Assets:

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired in terms of Accounting Standard 28 issued by Institute of Chartered Accountants of India (ICAI). If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account and charged to the Statement of Profit & Loss. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of recoverable amount of an asset.

e) Revenue Recognition:

- Revenue from sale of goods is recognized at the point of passing of title of the goods to the customer which generally coincides with delivery.
- Sale value is inclusive of excise duty paid at the time of clearance of goods but exclusive of sales tax.
- Export sales are accounted for on the basis of date of bill of lading.
- Revenue in respect of export incentives is recognized when such incentives accrue upon export of goods.

f) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower after providing for obsolescence, if any. The cost in respect of various items of inventory is determined as under :-

- In case of raw materials and stores & spares, at weighted average cost.
- In case of work-in-progress, at the raw material cost plus conversion cost depending upon the stage of completion of goods.
- In case of finished goods, at the raw material cost, conversion cost and other overheads incurred to bring the goods to their present location and condition plus excise duty, wherever applicable.

g) Investments:

Long-term investments are carried at cost less provisions, if any, for permanent diminution in value. Current investments are carried at lower of cost or fair value.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2016****h) Foreign Exchange Transactions:**

Transactions in foreign currency are recorded at the exchange rates prevalent at the time of transaction. Foreign currency assets and liabilities are stated at the exchange rates prevailing at the date of Balance Sheet or at forward contract rates, wherever so covered. Realized gains or losses on foreign exchange transactions, other than those relating to fixed assets, are recognized in the Statement of Profit and Loss. The difference in foreign exchange rates in the case of fixed assets is adjusted to the cost of fixed assets.

i) Accounting for taxes on Income:

Provision for current tax is made on the basis of aggregate amount of income tax actually payable for the year on the estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from the timing differences between book profit and tax profit is accounted for at the enacted rate of tax to the extent that the timing differences are expected to reverse in future. Deferred Tax Assets are recognized only to the extent there is virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

j) Employee benefits:**1. Short-term employee benefits:**

Short-term employee benefits are recognized as an expense in the Statement of Profit & Loss in the year in which the related services are rendered by the employees.

2. Retirement benefits:**Defined contribution plans:**

Contributions to the employees' provident fund are made in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Such contributions are charged to the Statement of Profit & Loss of the year in which the related services are rendered by the employees.

Defined benefit plans:**Gratuity:**

Liability in respect of gratuity is accounted for on the basis of an independent actuarial valuation. The present value of defined benefit obligation as at the end of the year is determined using the Projected Unit Credit method i.e. each period of service rendered by the employee is considered to give rise to an additional unit of benefit entitlement, gradually building up the final obligation.

The company funds its gratuity liability through a qualifying group gratuity policy taken from the Life Insurance Corporation of India by an approved gratuity trust formed for the purpose. The difference between the present value of the obligation and the fair value of plan assets as at the end of the year is recognized in the financial statements.

k) Contingent Liabilities:

No provision is made for liabilities that are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the resulting loss can be made. However, all known, material contingent liabilities are disclosed by way of separate notes.

l) Miscellaneous Expenditure to the extent not written off:

Issue expenses are written off over a period of ten years.



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At		As At	
	31 st March, 2016 (₹ in '000)		31 st March, 2015 (₹ in '000)	
2. Share Capital				
Authorized:				
65,000,000 Equity Shares of ₹10/- each (Previous Year 65,000,000)		650,000		650,000
Total		<u>650,000</u>		<u>650,000</u>
Issued, Subscribed and Fully Paid up :				
39,835,141 Equity Shares of ₹10/- each (Previous Year 39,835,141)	398,351		398,351	
Add: Share Forfeited Account (Amount originally paid up)	<u>1,991</u>	400,342	<u>1,991</u>	400,342
Total		<u>400,342</u>		<u>400,342</u>
		AS AT		AS AT
		31st March, 2016		31st March, 2015
a. Reconciliation of the number of equity Shares outstanding :				
At the beginning of the year		39,835,141		39,835,141
Outstanding at the end of year		<u>39,835,141</u>		<u>39,835,141</u>

b. Terms/rights attached to equity shares :

The company has only one class of Equity Shares having Face value of ₹ 10/- each. Each holder of equity share is entitled to only one vote per share.

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

Shareholders	Number	As At		Number	As At
		31 st March, 2016			
		% of holding		% of holding	
Nahar Capital & Financial Services Ltd.	9,336,745	23.44	9,336,745	23.44	
J. L. Growth Fund Ltd.	3,421,836	8.59	3,421,836	8.59	
Nahar Poly Films Ltd.	2,708,800	6.80	2,708,800	6.80	
Vardhman Investments Ltd.	2,277,955	5.72	2,277,955	5.72	
Oswal Woollen Mills Ltd.	2,094,819	5.26	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	
Ashish Dhawan	2,590,124	6.50	2,590,124	6.50	



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
3. Reserves and Surplus		
Capital Subsidy Reserve		
Balance as per last Balance Sheet	21,000	21,000
Capital Reserve		
Balance as per last Balance Sheet	947,486	947,486
Capital Redemption Reserve		
Balance as per last Balance Sheet	192,500	192,500
Securities Premium Account		
Balance as per last Balance Sheet	3,345,408	3,345,408
General Reserve		
Balance as per last Balance Sheet	814,568	1,347,332
Add: Transfer from surplus/(deficit) in the Statement of Profit & Loss	345,080	(532,764)
Add: Transitional Provision of Investment in associates	<u>145,313</u>	<u>1,304,961</u>
		814,568
Contingent Liability Reserve		
Balance as per last Balance Sheet	75,490	155,392
Less: Transfer to surplus/(deficit) in the Statement of Profit & Loss	<u>--</u>	<u>79,902</u>
	75,490	75,490
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	--	--
Add : Profit/ (Loss) for the year	393,024	(277,822)
Add : Transfer from Contingent Liability Reserve	--	79,902
Less : Depreciation pursuant to enactment of schedule II of the Companies Act, 2013	--	334,844
Less : Proposed Dividend on Equity shares	39,835	--
Less : Corporate Dividend Tax	8,109	--
Less : Balance Transferred to General Reserve	<u>345,080</u>	<u>(532,764)</u>
Total	<u>5,886,845</u>	<u>5,396,452</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
4. Long Term Borrowings		
Term Loans (Secured)		
From Banks	2,955,074	3,703,321
Others (Unsecured)		
Loans And Advances from Related Parties	540,207	505,398
Total	3,495,281	4,208,719

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

As At 31 st March, 2016 (₹ in '000)	Repayment Period from origination (years)	Installments outstanding as on 31 st March, 2016	
		No.	Periodicity
85,386	4	3	Quarterly
78,665	4	3	Quarterly
300,000	3.5	14	Quarterly
300,000	3.5	14	Quarterly
24,164	8	1	Quarterly
7,668	8	4	Quarterly
75,940	8	12	Quarterly
884,800	8	16	Quarterly
122,712	8	16	Quarterly
242,390	8	17	Quarterly
1,051,461	8	21	Quarterly
197,363	5	20	Quarterly
187,250	8	5	Quarterly
16,313	8	4	Quarterly
68,370	8	15	Quarterly
39,060	5	20	Quarterly
108,900	4	16	Quarterly
99,678	3	12	Quarterly
186	3	10	Monthly
196	3	10	Monthly
203	3	11	Monthly
214	3	12	Monthly
222	3	12	Monthly
408	3	15	Monthly
421	3	24	Monthly
236	3	13	Monthly
3,892,206			

* Figures of term loan stated in para 4.1 (i) includes current maturities of long term debt shown separately in Note no 10.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2016**

PARTICULARS	As At 31st March, 2016 (₹ in '000)	As At 31st March, 2015 (₹ in '000)
(ii) Loans and Advances from related parties will be paid after three years.		
4.2 Term loan from IDBI Bank Limited, Canara Bank, State Bank of Patiala, State Bank of India, State Bank of Hyderabad, Allahabad Bank, Punjab National Bank, Punjab & Sind Bank and Corporation Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali, Industrial Focal Point, Phase VIII, Village Mundian, Distt. Ludhiana, Village Jalaldiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khijuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amluh, Distt. Fatehgarh Sahib (Punjab) including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.		
5. Deferred Tax Liability (net)		
Deferred tax liability		
Relating to fixed assets	156,229	237,863
Deferred tax assets		
Disallowance u/s 43B of the Income Tax Act, 1961	10,628	19,762
Total	145,601	218,101
6. Other Long Term Liabilities		
Security deposits	45,065	45,426
Other liabilities	20,999	31,755
Total	66,064	77,181
7. Long Term Provisions		
Provision for Employee Benefits		
Provision for gratuity	47,966	57,101
Total	47,966	57,101
8. Short-Term Borrowings		
Loans repayable on demand		
Working capital borrowings from banks (Secured)	4,997,732	4,093,391
Total	4,997,732	4,093,391

8.1 Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd charge on Fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2016**

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
9. Trade Payables		
Micro, Small and Medium Enterprises	--	--
Others	502,909	1,047,046
Total	502,909	1,047,046

9.1 In response to the letters sent to the suppliers seeking to know the status of their coverage under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) the Company has received replies from some of the suppliers.

Disclosures as required under Section 22 of the MSMED Act, 2006 are given below:

Particulars	Current year	Previous year
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	--	--
- Interest thereon	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	--	--
The amount of interest accrued and remaining unpaid.	--	--
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	--	--

**Consolidated Notes to Financial Statements for the year ended 31st March, 2016**

PARTICULARS	As At 31st March, 2016 (₹ in '000)	As At 31st March, 2015 (₹ in '000)
10. Other Current Liabilities		
Current maturities of long-term debt	937,132	1,428,376
Unclaimed dividend	9,807	12,014
Other Payables		
- Statutory dues	37,674	37,262
- Advance from customers/others	21,488	18,696
- Due to Employees	212,844	197,141
- Others	150,221	219,231
Total	1,369,166	1,912,720

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

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

Leave encashment **12,340** 20,670

Other provisions

Proposed dividend **39,835** --

Corporate dividend tax **8,109** --

Excise duty on closing stock **77,620** 52,675

Total **137,904** **73,345**



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

12. FIXED ASSETS

(₹ in '000)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	As at 01.04.2015	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2016	Upto 31.03.2015	Provided during the year	Transfer to Retained Earning back during the year	Adjusted/ Written 31.03.2016	Total Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS											
Leasehold Land	31,122	--	--	31,122	--	--	--	--	--	31,122	31,122
Freehold Land	740,715	95,711	--	836,426	--	--	--	--	--	836,426	740,715
Building	3,541,468	95,275	39,935	3,596,808	1,378,658	132,168	--	--	1,510,826	2,085,982	2,162,810
Plant & Machinery	13,872,465	158,142	28,218	14,002,389	10,766,045	731,792	--	27,261	11,470,576	2,531,813	3,106,420
Furniture & Fixtures	90,111	1,288	166	91,233	45,936	12,107	--	98	57,945	33,288	44,175
Office Equipment	96,247	7,536	716	103,067	78,159	9,871	--	578	87,452	15,615	18,088
Vehicles	66,072	5,546	5,536	66,082	39,194	8,334	--	4,615	42,913	23,169	26,878
TOTAL(A)	18,438,200	363,498	74,571	18,727,127	12,307,992	894,272	--	32,552	13,169,712	5,557,415	6,130,208
INTANGIBLE ASSETS											
Computer Software	45,831	--	--	45,831	28,706	5,437	--	--	34,143	11,688	17,125
TOTAL(B)	45,831	--	--	45,831	28,706	5,437	--	--	34,143	11,688	17,125
TOTAL(A+B)	18,484,031	363,498	74,571	18,772,958	12,336,698	899,709	--	32,552	13,203,855	5,569,103	6,147,333
Previous Year	18,035,906	534,247	86,122	18,484,031	10,684,095	1,352,406	362,061	61,864	12,336,698	6,147,333	7,351,811



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
13 . NON-CURRENT INVESTMENTS		
I. TRADE INVESTMENTS		
INVESTMENT IN EQUITY SHARES		
Investment in Others (Quoted)		
2,356,930-Fully paid up Equity Shares of ₹ 5/- each of Nahar Spinning Mills Limited (Previous Year 2,356,930)	241,003	241,003
1,264,720-Fully paid up Equity Shares of ₹ 5/-each of Nahar Poly Films Limited (Previous Year 1,264,720)	63,525	63,525
1,363,221-Fully paid up Equity Shares of ₹ 5/-each of Nahar Capital and Financial services Limited (Previous Year 1,363,221)	190,820	190,820
II. OTHERS INVESTMENTS		
(i) INVESTMENT IN EQUITY SHARES		
(a) Investment in Others (Quoted)		
30,900-Fully paid up Equity Shares of ₹ 10/- each of BPL Engineering Limited (Previous Year 30,900).	280	280
22,500-Fully paid up Equity Shares of ₹ 10/- each of Pertech Computer Limited (Previous Year 22,500)	23	23
12,555-Fully paid up Equity Shares of ₹ 10/- each of Pasupati Acrylon Limited (Previous year 12,555)	94	94
7,700-Fully paid up Equity Shares of ₹ 10/- each of R.S.Petro Chemical Limited (Previous Year 7,700)	8	8
50-Fully paid up Equity Shares of ₹ 10/- each of Malwa Cotton & Spinning Mills Limited (Previous year 50)	2	2
(b) Investment in Associates (Unquoted)		
180,000- Fully Paid Up Equity Shares of ₹ 100/- each of J.L.Growth Fund Limited (Previous Year 180,000)	168,480	168,480
Add: Accumulated profit from Associate Company (Previous Year profit for the year)	<u>64,987</u>	<u>2,851</u>
	233,467	171,331



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)		As At 31 st March, 2015 (₹ in '000)	
250,000 Fully Paid Up Equity Shares of ₹100/- each of Vardhman Investment Limited (Previous Year 250,000)	147,500		147,500	
Add: Accumulated profit from Associate Company (Previous Year profit for the year)	<u>14,845</u>	162,345	<u>1,971</u>	149,471
164,000-Fully Paid Up Equity Shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	106,600		106,600	
Add: Accumulated profit from Associate Company (Previous Year profit for the year)	<u>10,272</u>	116,872	<u>1,341</u>	107,941
10,729,474-Fully Paid Up Equity Shares of ₹ 10/- each of Cotton County Retail Limited (Previous year 10,729,474)	397,892		397,892	
Add: Accumulated profit from Associate Company (Previous Year loss for the year)	<u>21,523</u>	419,415	<u>(3,917)</u>	393,975
(c) Investment in Others (Unquoted)				
3,360-Fully Paid Up Equity Shares of ₹ 100/- each of Nagdevi Trading & Investment Co. Limited. (Previous year 3,360)		51		51
3,558,786 -Fully Paid Up Class-'A' Equity Shares of ₹ 10/- each of VS Lignite Power Pvt Ltd (Previous year 3,558,786)		35,588		35,588
One Fully Paid Up Equity Share of ₹ 100 of Punjab State Co-operative Bank Limited (Previous Year One) (Cost ₹ 100)		--		--
One Fully Paid Up Equity Share of ₹ 5,000/- of Krishna Building Owners' Association (Previous Year One)		5		5
(ii) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted)				
3,156,958 Fully Paid Up Class 'A' 0.01% Cumulative Redeemable Preference Shares of ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous year 3,156,958)		31,570		31,570
TOTAL		<u>1,495,068</u>		<u>1,385,687</u>
1. Aggregate amount of Quoted Investments		495,755		495,755
2. Market Value of Quoted Investments		335,571		317,809
3. Aggregate amount of Unquoted Investments		999,313		889,932



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	As At 31 st March, 2016 (₹ in '000)	As At 31 st March, 2015 (₹ in '000)
14. Long Term Loans and Advances (Unsecured considered good)		
Capital advances	1,285	1,285
Security deposits	117,418	112,727
Total	118,703	114,012
15. Inventories (As Taken, Valued and Certified By The Management)		
Raw Materials	3,342,513	2,707,688
Work-in-Progress	488,564	477,912
Finished Goods	2,465,150	2,895,773
Stores and Spares	267,349	315,405
Total	6,563,576	6,396,778
15.1 Detail of Inventory-Finished Goods		
Yarn	545,024	580,515
Fabrics	857,576	999,551
Sugar	993,116	1,188,455
Other	69,434	127,252
Total	2,465,150	2,895,773
16. Trade Receivables (Unsecured Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	46,447	10,649
Others	1,793,323	1,731,169
Total	1,839,770	1,741,818
17. Cash and Cash Equivalents		
Balance with banks:		
In current accounts	9,608	11,086
In unpaid dividend accounts	9,807	12,014
Deposit with more than 3 months but less than 12 months maturity	371	354
Cash in hand	14,566	10,986
Total	34,352	34,440
18. Short Term Loans and Advances (Unsecured considered good)		
Prepaid expenses	22,793	20,255
Advances to suppliers	315,888	190,760
Loans and advances to employees	9,532	11,382
Others	1,167	1,043
Total	349,380	223,440
19. Other Current Assets (Unsecured considered good)		
Advance Income tax(Net of Provision)	19,978	95,372
Balances with government authorities	282,209	297,611
Others	594,533	649,205
Total	896,720	1,042,188



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
20. Revenue from Operations		
Sale of Products	17,704,090	17,866,375
Other Operating Income	8,549	105,707
Export Incentives	113,789	101,927
Revenue from Operations (gross)	17,826,428	18,074,009
Less: Excise Duty	69,378	44,462
Revenue from Operations (net) Total	17,757,050	18,029,547
20.1 Details of Products Sold		
Yarn	8,682,546	9,177,870
Fabrics	7,165,017	7,125,509
Sugar	1,509,331	1,083,096
Others	347,196	479,900
Total	17,704,090	17,866,375
21. Other Income		
Interest income	23,245	19,529
Dividend Income	4,402	4,402
Other non-operating income	17,619	32,715
Total	45,266	56,646
22. Cost of Material Consumed		
Opening Stock	2,707,688	2,377,873
Add : Purchases	9,611,681	9,986,442
Less: Closing Stock	3,342,513	2,707,688
Total	8,976,856	9,656,627
22.1 Detail of cost of Material Consumed		
Fibres	7,468,910	7,994,788
Yarn	324,408	344,885
Sugarcane	1,032,350	1,146,825
Others	151,188	170,129
Total	8,976,856	9,656,627
23. Detail of Purchase of Stock-in-Trade		
Yarn	93,599	50,091
Fabrics	5,608	5,056
Garments	1,487	963
Total	100,694	56,110
24. Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	477,912	505,957
Finished goods	2,895,773	3,172,887
Closing Stock		
Work-in-progress	488,564	477,912
Finished goods	2,465,150	2,895,773
Total	419,971	305,159



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
25. Employee Benefits Expense		
Salary, Wages and Other Allowances	1,517,997	1,402,396
Contribution to provident and other funds	158,799	167,379
Staff welfare expenses	14,942	16,021
Staff Recruitment & Development expenses	5,004	5,009
Total	1,696,742	1,590,805
25.1 Employee benefits		
The detail of employee benefits with regard to gratuity, a funded defined benefit plan, are given here :		(₹ in '000)
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of year	225,334	166,467
Current Service Cost	34,075	26,705
Interest Cost	16,742	14,624
Actuarial Loss	(730)	34,287
Benefits paid	(21,384)	(16,749)
Present value of obligation at the end of the year	254,037	225,334
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	168,233	141,777
Expected return of plan assets	16,101	13,327
Contributions	42,722	29,348
Benefits paid	(21,384)	(16,749)
Actuarial gain	399	530
Fair value of plan assets at the end of the year	206,071	168,233
Net (Liability) / Asset recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	254,037	225,334
Fair value of plan assets at the end of the year	206,071	168,233
Net (Liability) / Asset recognised in the Balance Sheet	(47,966)	(57,101)
Expense recognised in the Statement of Profit and Loss		
Current service cost	34,075	26,705
Interest cost on benefit obligation	16,742	14,624
Expected return on plan assets	(16,101)	(13,327)
Net Actuarial Loss/Gains recognised in the year	(1,129)	33,757
Net gratuity cost	33,587	61,759
Actuarial assumptions		
Discount rate	7.70%	7.80%
Expected rate of return on plan assets	9.00%	9.00%
Long term rate of compensation increase	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. Discount rate is based on market yields prevailing on government bond as at 31st March, 2016 for the estimated term of defined benefit obligation.



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

PARTICULARS	Current Year (₹ in '000)	Previous Year (₹ in '000)
26. Finance Costs		
Interest Expense	739,768	939,860
Other Borrowings Cost	36,497	29,031
Foreign Exchange Hedging Loss (Net of Premium Receipts)	--	79,902
Total	<u>776,265</u>	<u>1,048,793</u>
27. Other Expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	1,458,712	1,426,557
Power and Fuel	2,225,141	2,358,675
Handling and Restacking charges	39,339	39,984
Machinery Repairs and Maintenance	41,624	32,967
Excise duty on stocks	24,944	5,193
Sub Total	<u>3,789,760</u>	<u>3,863,376</u>
b. Administrative & Other Expenses		
Rent	3,394	3,059
Rates & Taxes	31,198	9,734
Insurance	30,033	35,699
Legal & Professional Expenses	12,238	10,870
Travelling & Conveyance*	53,806	48,065
Vehicle Repair & Maintenance	10,421	11,559
Payment To Auditor	1,677	1,678
Directors Remuneration	2,688	2,688
Director Meeting Fee	366	343
Repairs and Maintenance	26,125	29,039
Loss on Sale/discard of Fixed Assets	12	490
Charity & Donation	57	5
Corporate Social Responsibility Expenses	1,753	--
Miscellaneous Expenses	39,516	31,514
Sub Total	<u>213,284</u>	<u>184,743</u>
* Include Directors Travelling of ₹ 3,533 thousands (Previous Year ₹ 1,899 thousands)		
c. Selling Expenses		
Forwarding and Octroi	192,452	202,525
Commission & Brokerage	91,739	98,772
Rebate and Discount	56,966	53,306
Other Selling Expenses	28,922	25,941
Sub Total	<u>370,079</u>	<u>380,544</u>
Total (a+b+c)	<u>4,373,123</u>	<u>4,428,663</u>
27.1 Payment to auditor		
As Auditor:		
Audit fee	998	901
Tax audit fee	320	314
In other capacity	281	387
Reimbursement of expenses	78	76
Total	<u>1,677</u>	<u>1,678</u>

**Consolidated Notes to Financial Statements for the year ended 31st March, 2016****28) CONTINGENT LIABILITIES NOT PROVIDED FOR :**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances/ Letter of credit issued) ₹1,076.15 Lacs (Previous year ₹5,398.67 Lacs).
- b) Letter of Credits in favour of suppliers and others ₹ 2,408.62 Lacs (Previous year ₹ 694.98 Lacs).
- c) Bank Guarantees in favour of suppliers and others ₹ 1,803.22 Lacs (Previous year ₹ 1,159.11 Lacs).
- d) Sales tax demands against which the company has preferred appeals ₹ 67.17 Lacs (Previous year ₹ 67.17 Lacs).
- e) Income tax demands against which the company has preferred appeals ₹ 1,175.84 Lacs (Previous year ₹ 646.83 Lacs).
- f) The Central Excise Authorities have issued show cause notices to the Company for ₹ 603.16 Lacs on various matters under the Central Excise Rules (Previous year ₹ 819.44 Lacs). The Company has filed suitable replies with the concerned authorities.
- g) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 3,124.90 Lacs (Previous year ₹ 8,681.30 Lacs) in favour of the President of India for fulfillment of its obligations under the rules made under Central Excise Act, 1944 and Customs Act, 1962.
- h) Claims of ₹ 3,525.40 Lacs (Previous year ₹ 3,525.40 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.
- i) Company's share of contingencies of ₹ 15.10 Lacs (Previous year ₹ 14.85 Lacs) and capital commitment of ₹ 9.04 Lacs (Previous year ₹ 9.04 Lacs) in its associates for which the company is also contingently liable.

29) The Company has undertaken export obligations of ₹ 49,246.31 Lacs (Previous year ₹ 67,461.51 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 ₹ 47,666.62 Lacs (Previous year ₹ 65,881.82 Lacs) have been fulfilled up to 31st March, 2016.

30) Advances include ₹ 27.76 Lacs (Previous year ₹ 27.76 Lacs) paid to the machinery supplier that are under dispute. The matter is pending in the Delhi High Court.

31) In the opinion of the Board of Directors, the Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet, unless stated otherwise.

32) Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2016 for ₹ 4,474.56 Lacs (Previous year ₹ 5,723.35 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.

33) Earnings Per Share (EPS)

(₹ In Lacs)

	2015-16	2014-15
Profit/loss after Tax (₹ in Lacs)	3,930.24	(2,778.22)
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 (₹)	9.87	(6.97)

**Consolidated Notes to Financial Statements for the year ended 31st March, 2016**

- 34) The consolidated Financial Statement present the consolidated Accounts of Nahar Industrial Enterprises Limited and its associates as prescribed by Accounting Standard (AS) -23 on "Accounting for Investment in Associates" as issued by companies (Accounting Standards) Rule, 2006 in the Consolidated Financial Statements.
- 35) The Company was diversifying its business by installing a distillery unit at Village Salana Jeon Singh Wala, Tehsil Amloh, District Fatehgarh Sahib. However because of strategic reason, the Company has abandoned this project.
- 36) Segment Information as required by Accounting Standard 17 "Segment Reporting" issued by the ICAI and compiled on the basis of the financial statements is as under :-

	(₹ In Lacs)			
	Textile	Sugar	Others	Total
Segment Revenue				
Total Revenue	161,100.08	15,618.24	73.30	176,791.62
Less: Inter Segment Revenue				444.50
Net Revenue				176,347.12
Segment Results				
Profit/ (Loss) before exceptional items, interest and tax	12,524.85	894.05	(49.16)	13,369.74
Less : interest				7,762.65
Profit before tax				5,607.09
Capital Employed				
Segment Assets- Segment Liabilities	84,708.37	7,270.40	16,673.32	108,652.00

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

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

1 Associates

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

2 Key Management Personnel

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

3 Relatives of Key Management Personnel

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2016

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

* No transaction has taken place during the year

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

Particulars	Associates	Key Management Personnel (KMP)	Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control .	Relative of Key Management Personnel
Purchase of goods	24.76	--	4,447.98	--
Sales of Goods	1,034.64	--	24,118.86	--
Purchase of fixed assets	--	--	8.86	--
Sale of fixed assets	--	--	400.42	--
Sale of FMP/FMS license	--	--	88.73	--
Processing charges received	--	--	258.89	--
Processing charges Paid	--	--	4.11	--
Interest paid	502.11	--	--	--
Rent received	15.08	15.00	76.27	--
Rent paid	21.26	--	--	--
Dividend received	--	--	44.02	--
Purchase of Investment	--	--	5.00	--
Sale of Investment	--	0.70	2.90	1.40
Director Meeting Fee	--	--	--	0.70
Remuneration	--	60.20**	--	6.00
Loan Paid (Net)	143.98	--	--	--
Corporate Social Responsibility Expenses	--	--	17.53	--
Balance Receivable/Payable (net) as on 31.03.2016 (4,646.69)	--	--	--	--

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2016****38) Expenditure in Foreign Currency**

PARTICULARS	2015-16 (₹ In '000)	2014-15 (₹ In '000)
a) Value of Import on CIF basis		
(i) Raw Material	352,745	80,722
(ii) Capital Goods & Stores	242,196	212,033
b) Expenditure in Foreign Currency		
(i) Travelling	4,430	2,117
(ii) Commission	31,769	28,238
(iii) Others	7,910	6,710

39) Earning in Foreign Currency

PARTICULARS	2015-16 (₹ In '000)	2014-15 (₹ In '000)
a) Earnings in Foreign Exchange		
i) F.O.B. Value of Exports	2,085,364	1,871,806

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

PARTICULARS	2015-16		2014-15	
	(₹ In '000)	%age	(₹ In '000)	%age
i) Raw Material				
Imported	397,683	4.43	62,587	0.65
Indigenous	8,579,173	95.57	9,594,040	99.35
ii) Consumables, Stores, Spares Parts & Components				
Imported	138,633	9.50	151,178	10.60
Indigenous	1,320,079	90.50	1,275,379	89.40

41) Additional Information, as required under Schedule III to the Companies Act 2013, of companies consolidated as associates

Name of the Associates	2015-16 (₹ In '000)	
	Share in Profit or loss	
	As % of	Amount
J.L. Growth Fund Ltd.	0.26%	1,040
Vardhman Investment Ltd.	0.30%	1,171
Atam Vallabh Financers Ltd.	0.25%	988
Cotton County Retail Ltd.	9.96%	(39,131)

42) The previous year figures have been reclassified to confirm to this year's classification.

As per our separate report of even date attached

For and on behalf of the Board

For RAJ GUPTA & CO.,

Chartered Accountants

FRN : 000203N

R.K.Gupta

Partner

M.No. : 017039

Place : Ludhiana

Dated :30th May, 2016**Mukesh Sood**

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-

Managing Director

**AOC-I**

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

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

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

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

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

PART "B": Associates and Joint Ventures

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

Name of Associates	J L Growth Fund Ltd.	Vardhman Investment Ltd.	Atam Vallabh Financiers Ltd.	Cotton County Retail Limited
1 Latest Audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016
2 Shares of Associate held by the Company on the year end				
No. of Shares	180,000	250,000	164,000	10,729,474
Amount of Investment in Associates (₹ In Lacs)	1,684.80	1,475.00	1,066.00	3,978.92
Extent of holding %	41.10	47.17	36.85	49.99
3 Description of how there is significant influence	Section 2(6) of the Companies Act, 2013			
4 Reason why associate is not consolidated	Not Applicable			
5 Net Worth attributable to shareholding as per latest audited Balance Sheet (₹ in Lacs)	1,991.10	1,559.16	1,102.05	4,364.02
6 Profit/(Loss) for the year After Tax (₹ in Lacs)				
Considered in consolidation	10.40	11.71	9.88	(391.31)
Not considered in consolidation				

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director

Kamal Oswal
Vice Chairman-cum-
Managing Director

Place : Ludhiana

Dated :30th May, 2016

**NAHAR INDUSTRIAL ENTERPRISES LIMITED**

Registered Office: Focal Point, Ludhiana – 141010

CIN: L15143PB1983PLC018321, Website: www.ownahar.com

Email : msood@ownahar.com ; share@ownahar.com

Ph. 0161-2672590, 2672591, Fax: 0161-2674072

BALLOT FORM

Sr. No.	Particulars	Details
1.	Name and Registered Address of the Sole/First named shareholder	
2.	Name (s) of the Joint Holder(s) (if any)	
3.	Registered Folio No. / DP Id No. and Client Id No.	
4.	Number of Shares held	

I / We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 32nd Annual General Meeting of the Company to be held on Friday, the 30th day of September, 2016 by sending my / our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below.

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (For)	I/We dissent from the Resolution (Against)
1.	To receive, consider and adopt : (a) the Audited Financial Statements of the Company for the financial year ended on 31 st March, 2016 along with Reports of the Auditors and Directors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31 st March, 2016 along with Report of the Auditors thereon.			
2.	To declare dividend on Equity Shares for the year ended on 31 st March, 2016			
3.	To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
4.	To appoint a director in place of Sh. Navdeep Sharma (DIN: 00454285), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
5.	To appoint Auditors of the Company for the financial year 2016-17 and fix their remuneration			
6.	To approve the remuneration of cost auditor for the financial year 2016-17.			
7.	To approve the payment of remuneration to Sh. Kamal Oswal, Vice Chairman-cum-Managing Director			
8.	To enter into Agreement / Contracts / Transaction with related parties.			

Place : _____

Date : _____

Signature of the Member / Authorised Representative

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

**Instructions**

1. The ballot form is provided for the benefit of members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a member votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
4. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

Process and manner for members opting to vote by using the ballot form

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. P.S.Bathla & Associates, Practicing Company Secretary (Membership No. 2585) at the Registered office of the Company.
2. The Form should be signed by the Member as per the specimen signatures registered with the Company / Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the Registration Number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
3. In case of shares are held by the companies, trusts, societies etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 23rd September, 2016 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 29th September, 2016 (5.00 P.M.). Ballot Form received after 29th September, 2016 will be strictly treated as if the reply from the Members has not been received.
7. A member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in the Serial No. 6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signatures cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
10. The results declared along with Scrutinizer's Report, shall be placed on the Company's website i.e. www.ownahar.com and on the website of the Central Depository Services (India) Ltd. within two days of the passing of the Resolutions at the AGM of the Company on 30th September, 2016, and communicated to the BSE Ltd. and National Stock Exchange of India Ltd., where the shares of the Company are listed.



NAHAR INDUSTRIAL ENTERPRISES LIMITED

Registered Office: Focal Point, Ludhiana – 141010

CIN: L15143PB1983PLC018321

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D.P. ID*		Folio No.	
Client ID*		No. of Shares held	

I / We hereby record my / our presence at the 32nd Annual General Meeting of the Company being held on Friday, the 30th day of September, 2016 at 10.00 a.m. at the Registered Office of the Company at Focal Point, Ludhiana – 141010, Punjab.

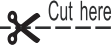
Name of the Shareholder(s) 1. _____ 2. _____ 3. _____

Signature of Shareholder(s) 1. _____ 2. _____ 3. _____

Signature of the Proxyholder _____

* Applicable for investors holding shares in electronic form.

Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.



NAHAR INDUSTRIAL ENTERPRISES LIMITED

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-11

PROXY FORM

CIN: L15143PB1983PLC018321

Name of the Company: NAHAR INDUSTRIAL ENTERPRISES LIMITED

Registered office: Focal Point, Ludhiana – 141010

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

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

- Name Address
Email Id Signatures or failing him
- Name Address
Email Id Signatures or failing him
- Name Address
Email Id Signatures

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 32nd Annual General Meeting of the company, to be held on Friday, the 30th day of September, 2016 at 10.00 a.m. at the Registered Office of the Company at Focal Point, Ludhiana –141010, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below:

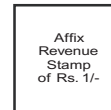


Item No.	Resolution	Optional*	
		(For)	(Against)
1.	To receive, consider and adopt : (a) the Audited Financial Statements of the Company for the financial year ended on 31 st March, 2016 along with Reports of the Auditors and Directors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31 st March, 2016 along with Report of the Auditors thereon.		
2.	To declare dividend on Equity Shares for the year ended on 31 st March, 2016		
3.	To appoint a director in place of Sh. Dinesh Gogna (DIN: 00498670), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
4.	To appoint a director in place of Sh. Navdeep Sharma (DIN: 00454285), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
5.	To appoint Auditors of the Company for the financial year 2016-17 and fix their remuneration		
6.	To approve the remuneration of cost auditor for the financial year 2016-17.		
7.	To approve the payment of remuneration to Sh. Kamal Oswal, Vice Chairman-cum-Managing Director		
8.	To enter into Agreement / Contracts / Transaction with related parties.		

Signed this day of 2016

Signature of shareholder :

Signature of Proxy holder(s) :

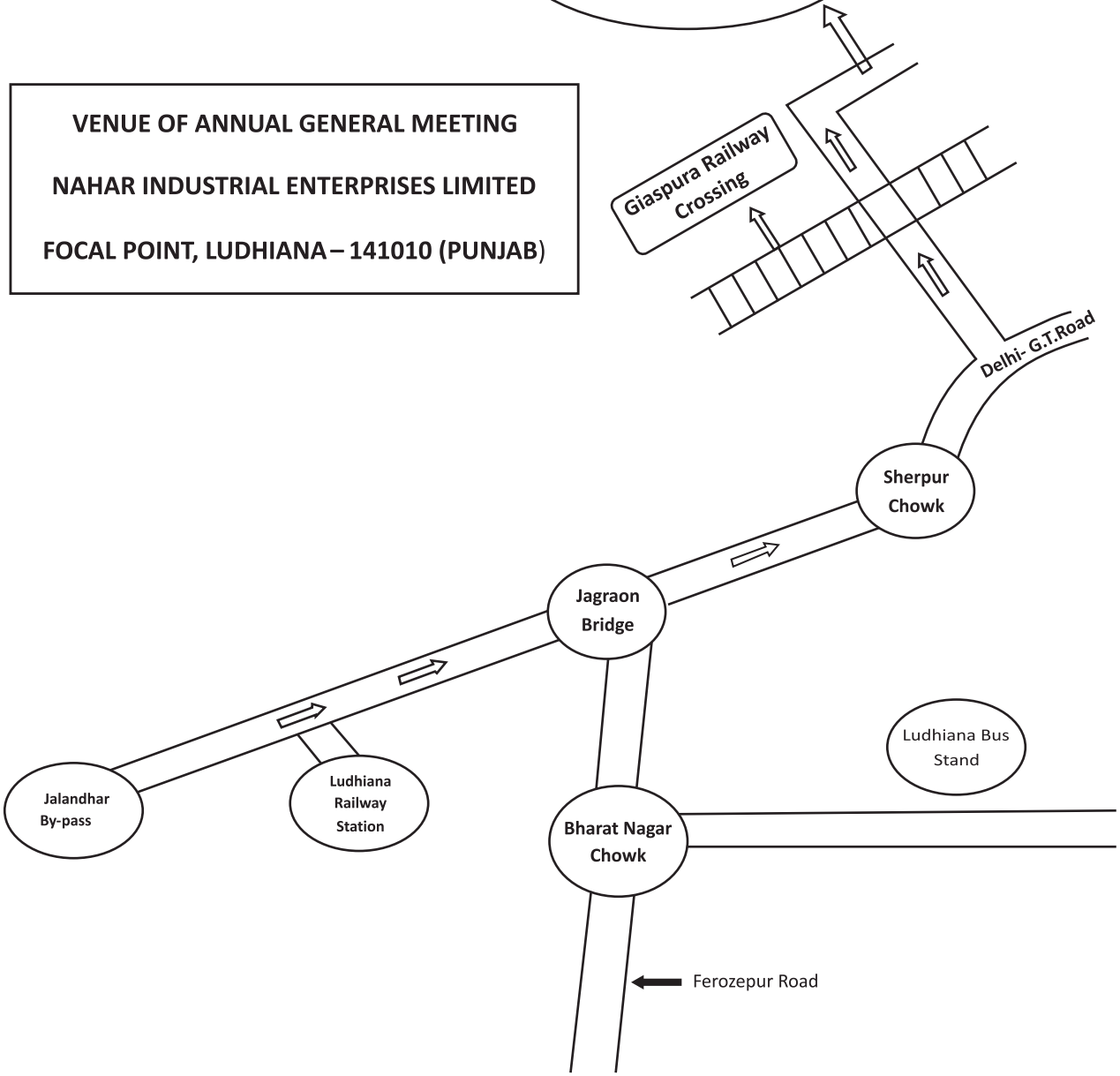


Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 32nd Annual General Meeting.
3. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

Nahar Industrial Enterprises Ltd.

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



Through Courier
(Printed Matter)

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

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