

REF: NIEL/SCY/2017-18/ 831

October 11, 2017

BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai- 400001
Scrip Code: 519136

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai- 400051
Symbol: NAHARINDUS

SUB: ANNUAL REPORT UNDER REGULATION 34 OF SEBI (LODR), 2015

Dear Sir/ Madam,

Please find attached herewith the 33rd Annual Report of the Company approved and adopted by the shareholders in their 33rd Annual General Meeting held on Tuesday, 26th day of September, 2017 at the Registered Office of the Company situated at Focal Point, Ludhiana-141010.

Kindly acknowledge and take on record of the same.

Thanking You

Yours faithfully

For NAHAR INDUSTRIAL ENTERPRISES LIMITED


MUKESH SOOD
COMPANY SECRETARY



The Nahar Group

33RD
ANNUAL REPORT
2016-17



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

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER (CIN): L15143PB1983PLC018321

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Performance at a glance

(₹ In Lacs)

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Gross sales/operating income	171,631.39	185,456.65	180,740.09	177,694.62	173,166.89
Exports	25,673.24	26,439.93	19,403.45	21,694.07	16,040.55
Net Profit	4,184.48	6,924.75	(2,800.68)	4,234.04	7,013.48
Cash Accruals	17,247.74	22,538.30	10,000.36	14,497.31	15,529.35
Gross Block including CWIP	173,708.08	183,786.80	188,827.33	189,373.23	198,241.39
Net Block including CWIP	77,881.62	76,945.85	65,460.35	57,306.82	60,101.15
Equity Share Capital	4,003.42	4,003.42	4,003.42	4,003.42	4,003.42
Net Worth	57,638.98	64,094.60	57,945.48	60,509.18	68,920.83
Capital Employed	128,666.43	131,569.45	116,497.44	106,405.76	110,609.76
Debt Equity Ratio	0.96	0.74	0.73	0.57	0.48
Current Ratio	1.31	1.32	1.32	1.37	1.41
Book Value per share (₹)	144.69	160.90	145.46	151.90	173.01
Earning per share (₹) [Basic]	10.50	17.38	(7.03)	10.63	17.61

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 & steel).

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 **33rd Annual General Meeting** of the members of Nahar Industrial Enterprises Limited will be held on **Tuesday, the 26th day of September, 2017 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:

- To receive, consider and adopt:
 - the Audited Financial Statements of the Company for the financial year ended on 31st March, 2017 and Reports of the Auditors and Directors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2017 and Report of the Auditors thereon.
- To declare dividend on Equity Shares for the year ended on 31st March, 2017.
- To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
- To appoint a director in place of Sh. Dinesh Oswal (DIN:00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
- To appoint Auditors of the Company 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s K R Aggarwal & Associates, Chartered Accountants (Firm Registration No. 030088N) be and are hereby appointed as Statutory Auditors of the Company to hold the office for a period of five consecutive years from the conclusion of 33rd Annual General Meeting (AGM) till the conclusion of 38th AGM of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every intervening AGM held after the forthcoming AGM or as per applicable laws and provisions prevailing at that time, at such remuneration and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

- To appoint Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 read with Companies

(Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576), who was appointed as an Independent Director of the Company for a period of 3 years i.e. up to the conclusion of 33rd Annual General Meeting and in respect of whom the Company has received a notice u/s 160 of the Act in writing from a member proposing her candidature for the office of director of the Company in independent category, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a period of three consecutive years i.e. upto the conclusion of 36th Annual General Meeting to be held in the year 2020.

“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.

- To appoint Dr. Amrik Singh Sohi (DIN: 03575022) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Amrik Singh Sohi (DIN: 03575022), who was appointed as an Independent Director of the Company for a period of 3 years i.e. up to the conclusion of 33rd Annual General Meeting and in respect of whom the Company has received a notice u/s 160 of the Act in writing from a member proposing his candidature for the office of director of the Company in independent category, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a period of three consecutive years i.e. upto the conclusion of 36th Annual General Meeting to be held in the year 2020.

“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.”

- To appoint Sh. Ajit Singh Chatha (DIN: 02289613) as an Independent Director of the Company and in this



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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Sh. Ajit Singh Chatha (DIN: 02289613), who was appointed as an Independent Director of the Company for a period of 3 years i.e. up to the conclusion of 33rd Annual General Meeting and in respect of whom the Company has received a notice u/s 160 of the Act in writing from a member proposing his candidature for the office of director of the Company in independent category, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a period of three consecutive years i.e. upto the conclusion of 36th Annual General Meeting to be held in the year 2020.

"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."

9. **To appoint Sh. Suresh Kumar Singla (DIN: 00403423) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be in force from time to time, Dr. Suresh Kumar Singla (DIN: 00403423), in respect of whom the company has received a notice u/s 160 of the Act in writing from a member proposing his candidature for the office of director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of three consecutive years i.e. up to the conclusion of 36th Annual General Meeting to be held in the year 2020."

"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."

10. **To re-appoint Sh. Kamal Oswal (DIN: 00493213) as Managing Director** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) (the Act) Sh. Kamal Oswal (DIN: 00493213), be and is hereby re-appointed as Managing Director of the company, not liable to retire by rotation, for a period of five years with effect from 1st February, 2018 till 31st January, 2023 on the terms and conditions as set out below:-

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 herein above family means the spouse, the dependant children and dependant parents of the appointee.

“RESOLVED FURTHER THAT the consent of the members be and is hereby given that remuneration be paid by way of salary, perquisites, allowances and commission as mentioned above subject to the overall maximum managerial remuneration of ten per cent calculated in the manner as provided under the Act and in the event of any loss or inadequacy of profits in any financial year during the aforesaid period of five years, the Company shall pay to Sh. Kamal Oswal, remuneration by way of salary, perquisites and other allowances within the limits specified in Schedule V to 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 be and is hereby authorized to vary / alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the company and are acceptable to Sh. Kamal Oswal without any further reference to the company in the general meeting so as not to exceed the overall maximum managerial remuneration as provided under the Companies Act, 2013 and rules made thereunder.”

“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 in its absolute discretion it may consider necessary, expedient or desirable in order to give effect to the above resolution.”

11. **To approve the remuneration of cost auditor for the financial year 2017-18** and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s.Ramanath Iyer & Co., Cost Accountants, (Firm Registration No. 000019) who has been appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost accounting records of the Company for Textile and Sugar segments for the financial year ending 31st March, 2018, the company do hereby confirm and ratify the remuneration of Rs. 270000/- (Rupees Two Lacs Seventy Thousands only) plus actual out-of-pocket expenses, as approved by the Audit Committee.”

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

12. **To consider and determine the fees for delivery of any document through a particular mode of delivery to a member** and in this regard if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

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

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

By Order of the Board of Directors

sd/-
Place : Ludhiana
Date : 14th August, 2017

Mukesh Sood
Company Secretary

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 9th September, 2017 to 16th September, 2017 (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 2016-17 is being sent to all the members whose 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, Share Transfer Agent for both physical and dematerialized 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 124 & 125 of the Companies Act, 2013. The unclaimed amount of dividend for the financial year 2009-10 onwards will be transferred to the above mentioned fund from 4.10.2017 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 33rd 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 23.09.2017 (09:00 AM) and ends on 25.09.2017 (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 (record date) of 19.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on "Shareholders".
 - (iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN 170823061** for the relevant NAHAR INDUSTRIAL ENTERPRISES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-individual Shareholders and Custodian:-
 - Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call 18002005533.



- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 19th September, 2017.
- V. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- VI. M/s.P.S.Bathla & Associates, Company Secretaries (Membership No. FCS 4391) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman
- VIII. The Ballot Form is provided for the benefit of members who do not have access to e-voting facility.
- IX. A member can opt for only one mode of voting i.e. either through e-voting or by Ballot Form. If a member votes by both modes, the voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.
- X. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through Post to declare the final results for each of the Resolutions forming part of the Notice of this AGM.
- XI. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ownnahar.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicate to BSE Limited and National Stock Exchange of India Limited.

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

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

Item No. 5

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Section 139 of the Companies Act, 2013 and the Rules made there under provides the mandatory rotation of statutory auditors. The transition period (three years) as provided under the Act for the existing auditors i.e. M/s Raj Gupta & Co., Chartered Accountants (Firm Registration No. 000203N) shall be completing at this ensuing 33rd Annual General Meeting of the Company. The Audit Committee of the Company has proposed and the Board of Directors in its meeting held on 14.08.2017 has recommended the appointment of M/s. K. R.

Aggarwal & Associates, Chartered Accountants (Firm Registration No. 030088N) as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of this AGM till the conclusion of 38th AGM to be held in the year 2022. The Board recommends the Ordinary Resolution as set out at item no. 5 of the notice for approval by the members.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise in the resolution.

Item No. 6 – 7 – 8

Pursuant to the provisions of section 149 of the Companies Act, 2013 (the Act), the shareholders of the company in their 30th Annual General Meeting held on 30.09.2014 had appointed Dr. (Mrs.) Harbhajan Kaur Bal (DIN: 00008576), Dr. Amrik Singh Sohi (DIN: 03575022) and Sh. Ajit Singh Chatha (DIN: 02289613) as independent Directors of the Company, not liable to retire by rotation, for a period of three years i.e. up to the conclusion of 33rd Annual General Meeting.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing a special resolution by the Company.

Pursuant to the provisions of section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee has recommended to the board regarding the re-appointment of Dr. (Mrs.) Harbhajan Kaur Bal, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha subject to the approval of the shareholders, for a further period of three years i.e. up to the conclusion of the 36th Annual General Meeting to be held in the year 2020.

The Company has received consent in Form DIR-2 and declaration in form DIR-8 from Dr. (Mrs.) Harbhajan Kaur Bal, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha, in compliance of the Act. These directors have given declaration(s) to the Board that they meet the criteria of independence as provided under section 149 of the Act. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules framed there under for re-appointment as Independent Director(s) and they are independent of the management.

The Company has received a notice pursuant to section 160 of the Act along with the amount of requisite deposit from the member(s) proposing their candidature for the office of Director. The performance of these directors was evaluated through a structured evaluation process as per the Policy for evaluation of Independent Directors. The Board considers that the continued association of these independent directors would be beneficial to the Company and it is desirable to avail the services of Dr. (Mrs.) Harbhajan Kaur Bal, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha as independent directors.



Save and except the above, 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(s).

Accordingly, the Board recommends the resolution at item(s) no. 6, 7 and 8 of this notice for the approval of members as a special resolution. Brief particulars of these directors have been mentioned in Annexure to this notice.

Item No. 9

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 (the Act) along with the amount of requisite deposit from the member proposing the candidature of Dr. Suresh Kumar Singla (DIN: 00403423) for the office of Director.

The Company has received consent in Form DIR-2 and declaration in form DIR-8 from Dr. Suresh Kumar Singla in compliance of the Act. A declaration has been given to the Board that he meets the criteria of independence as provided under section 149 of the Act. In the opinion of the Board, Dr. Suresh Kumar Singla fulfills the conditions specified in the Act and the Rules framed there under for his appointment as an Independent Director and are independent of the management.

Pursuant to the provisions of section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee has recommended to the board regarding the appointment of Dr. Suresh Kumar Singla subject to the approval of the shareholders, for a period of three years i.e. up to the conclusion of the 36th Annual General Meeting to be held in the year 2020.

Save and except the above, 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.

Accordingly, the Board recommends the resolution at item no. 9 of this notice for the approval of members as a special resolution. Brief particulars of Dr. Suresh Kumar Singla have been mentioned in Annexure to this notice.

Item Nos. 10

Sh. Kamal Oswal (DIN: 00493213) was re-appointed as Managing Director of the Company w.e.f. 1st February, 2013 for a period of five years and the term of office of Sh. Kamal Oswal is expiring on 31st January, 2018.

The Nomination and Remuneration Committee has recommended and the Board of Directors have approved in their meeting held on 14.08.2017, re-appointment of Sh. Kamal Oswal as Managing Director of the company w.e.f. 1st February, 2018 for a period of five years i.e. up to 31st January, 2023, not liable to retire by rotation, on the terms and conditions mentioned at Item No. 10 of this Notice subject to the approval of the shareholders.

Under his able leadership and guidance the company has achieved new milestones and further expanding. Thus, he has contributed significantly to the company's growth and development. Considering the size of the Company, the profile of Sh. Kamal Oswal, the responsibility and the industry benchmarks, the remuneration to be paid to him commensurate with the remuneration packages paid to the persons appointed at similar level in other companies. Particulars of his brief resume have been given as hereunder: Sh. Kamal Oswal (DIN: 00493213), aged 55 Years, a Commerce Graduate is a renowned industrialist having 33 years of experience in the industry. He is also the Managing Director of Oswal Woollen Mills Limited. He is holding 1294 equity shares in the Company and was first appointed in the Company on 27.09.1983. During the last financial year he had attended four board meetings of the Company. During the FY 2016-17, the Company has paid a remuneration of Rs. 4,01,73,620/-. The details of his Directorships and Committee Positions in various companies are as hereunder:

Directorships	Committee	Status
Nahar Industrial Enterprises Ltd.	CSR Stakeholder Relationship	Chairman Member
Oswal Woollen Mills Ltd.	-----	-----
Nahar Spinning Mills Ltd.	-----	-----
Nahar Poly Films Ltd.	-----	-----
Nahar Capital & Financial Services Ltd.	-----	-----
Cotton County Retail Ltd.	Nomination & Remuneration	Chairman
Oswal Leasing Ltd.	-----	-----
Nahar Industrial Infrastructure Corporation Ltd.	-----	-----
Sankheshwar Holding Company Ltd.	-----	-----
Vardhman Investment Ltd.	-----	-----
Neha Credit & Investment Pvt. Ltd.	-----	-----
Abhilash Growth Fund Pvt. Ltd.	CSR	Member
Nahar Growth Fund Pvt. Ltd.	-----	-----
Crownstar Ltd., U.K.	-----	-----



Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration 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 to the Companies Act, 2013. Your directors recommend the resolution for your approval.

Sh. Jawahar Lal Oswal, Sh. Dinesh Oswal, Mrs. Manisha Oswal and Sh. Abhinav Oswal, being his relatives and Sh. Kamal Oswal himself may be deemed to be concerned 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.

Item No. 11

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 31.3.2018 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 Cost Auditors for the financial year ending 31.3.2018. The Board recommends the Ordinary Resolution set out at Item No. 11 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. 12

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting; the Directors accordingly recommend the Ordinary Resolution at item no. 12 of the accompanying notice, for the approval of the members of the Company.

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

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 14th August, 2017

Mukesh Sood
Company Secretary

ANNEXURE TO THE NOTICE

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

Name of Director & Brief Resume	Nature of expertise in specific functional areas	Details of Directorships and Committee Positions in various Companies			Shareholding in the Company	Relationship between directors inter-se	Terms & Condition of Appointment	Other Details
		Directorships	Committees	Status				
Sh. Jawahar Lal Oswal (DIN: 00463866) Age: 74 Years Qualification: Graduate	55 years of experience in Industry	Oswal Woollen Mills Ltd.	CSR Shareholders	Chairman Chairman	Nil	Relative of Sh. Kamal Oswal & Sh. Dinesh Oswal	Liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board: 14.10.1991. Remuneration last drawn: @ Rs. 10000/- per Board Meeting. No. of Board Meetings attended during last year: 4
		Monte Carlo Fashions Ltd.	CSR Share Transfer Risk Management	Chairman Chairman Chairman				
		Abhilash Growth Fund Pvt. Ltd.	CSR	Chairman				
		Nahar Poly Films Ltd.	--	--				
		Nahar Capital & Financial Services Ltd.	--	--				
		Nahar Industrial Enterprises Ltd.	--	--				
		Nahar Spinning Mills Ltd.	--	--				



Name of Director & Brief Resume	Nature of expertise in specific functional areas	Details of Directorships and Committee Positions in various Companies			Share-holding in the Company	Relationship between directors inter-se	Terms & Condition of Appointment	Other Details
		Directorships	Committees	Status				
		Nagdevi Trading & Investment Co. Ltd.	--	--				
		Sankeshwar Holding Co. Ltd.	--	--				
		J L Growth Fund Ltd.	--	--				
		Crownstar Ltd., UK	--	--				
		Neha Credit & Investment Pvt. Ltd.	--	--				
		Nahar Growth Fund Pvt. Ltd.	--	--				
		Ruchika Growth Fund Pvt. Ltd.	--	--				
		Monica Growth Fund Pvt. Ltd.	--	--				
Sh. Dinesh Oswal (DIN: 00607290) Age: 52 Years Qualification: Commerce Graduate	32 years of experience in textile Industry	Nahar Spinning Mills Ltd.	Share Transfer CSR	Chairman Chairman	30	Relative of Sh. Jawahar Lal Oswal & Sh. Kamal Oswal	Liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board: 15.12.1988. Remuneration last drawn: @ Rs. 10000/- per Board Meeting. No. of Board Meetings attended during last year :5
		Nahar Poly Films Ltd.	Share Transfer CSR	Chairman Chairman				
		Nahar Capital & Financial Services Ltd.	Share Transfer CSR	Chairman Chairman				
		Vanaik Investors Ltd.	CSR	Chairman				
		Nahar Industrial Infrastructure Corp. Ltd.	--	--				
		Oswal Woollen Mills Ltd.	--	--				
		Nahar Industrial Enterprises Ltd.	--	--				
		Atam Vallabh Financiers Ltd.	--	--				
		Cownstar Ltd., UK	--	--				
		Vardhman Investments Ltd.	--	--				
Abhilash Growth Fund Pvt. Ltd.	--	--						
Dr. (Mrs.) Harbhajan Kaur Bal (DIN: 00008576) Age: 78 Years Qualification: Post Graduate & Ph.D (Stats)	More than 32 years of experience as Academician & General Management	Nahar Industrial Enterprises Limited	Nomination & Remuneration Audit	Member Member	Nil	Nil	Not liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board: 30.06.2001 Re-appointed as Independent Director under section 149 as on 30.09.2014. Remuneration last drawn: @ Rs. 10000/- per Board Meeting. No. of Board Meetings attended during last year: 5
		Nahar Spinning Mills Limited	Stakeholder Relationship Nomination & Remuneration	Chairman Member				
		Nahar Poly Films Limited	Stakeholder Relationship Nomination & Remuneration	Chairman Member				
		Oswal Woollen Mills Limited	Remuneration	Member				
		Nahar Capital & Financial Services Ltd.	Nomination & Remuneration	Member				
		Sportking India Limited	Audit Nomination & Remuneration	Member Member				



NAHAR INDUSTRIAL ENTERPRISES LIMITED

Annual Report 2016-17

Name of Director & Brief Resume	Nature of expertise in specific functional areas	Details of Directorships and Committee Positions in various Companies			Shareholding in the Company	Relationship between directors inter-se	Terms & Condition of Appointment	Other Details
		Directorships	Committees	Status				
Dr. Amrik Singh Sohi (DIN: 03575022) Age: 70 Years Qualification: Post Graduate & Ph.D.	More than 36 years of experience as Academician & Entomology Research	Nahar Industrial Enterprises Limited	--	--	Nil	Nil	Not liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board: 12.08.2011 Re-appointed as Independent Director under section 149 as on 30.09.2014. Remuneration last drawn: @ Rs. 10000/- per Board Meeting. No. of Board Meetings attended during last year: 4
		Nahar Spinning Mills Limited	Stakeholders Relationship Nomination & Remuneration	Member Member				
		Nahar Poly Films Limited	Stakeholder Relationship	Member				
		Nahar Capital & Financial Services Limited	Stakeholders Relationship	Chairman				
		Monte Carlo Fashions Limited	--	--				
Sh. Ajit Singh Chattha (DIN: 02289613) Age: 81 Years Qualification: B.E. (Hons.) in Electrical Engineering	IAS (Retd.) Former Chief Secretary to Govt. of Punjab & held various other Positions	Nahar Industrial Enterprises Ltd.	--	--	Nil	Nil	Not liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board: 27.03.2013 Re-appointed as Independent Director under section 149 as on 30.09.2014. Remuneration last drawn: @ Rs. 10000/- per Board Meeting. No. of Board Meetings attended during last year: 5
		Cotton County Retail Ltd.	Audit Nomination & Remuneration	Member Member				
		Monte Carlo Fashions Ltd.	--	--				
		Worldwide Immigration Consultancy Services Pvt. Ltd.	--	--				
		Indian Acrylics Ltd.	CSR	Member				
		J Kumar Infraprojects Ltd.	Audit Nomination & Remuneration	Member Member				
		Triveni Projects & Resorts Private Ltd.	--	--				
Dr. Suresh Kumar Singla (DIN: 00403423) Age: 67 Years Qualification: M.A (Stats. & Eco.) & Ph.D (Stats)	More than 34 Years of experience in Teaching Management & Administration	Nahar Spinning Mills Ltd	Audit CSR Nomination & Remuneration	Member Member Chairman	Nil	Nil	Not liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Nil
		Nahar Poly Films Ltd	Audit CSR Nomination & Remuneration	Chairman Member Chairman				
		Nahar Capital and Financial Services Ltd.	Audit CSR Stakeholder Relation Risk Management Nomination & Remuneration	Member Member Member Chairman				
		Oswal Woollen Mills Ltd.	Audit Nomination & Remuneration	Chairman Chairman				
		Monte Carlo Fashions Ltd.	Audit Nomination & Remuneration	Chairman Member				

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 14th August, 2017

Mukesh Sood
Company Secretary



DIRECTORS REPORT

Dear Members,

Your directors have pleasure in presenting their 33rd Annual Report together with the audited financial statements for the financial year ended 31st March, 2017.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2017 is summarised below: (₹ in Lacs)

Particulars	Current Year	Previous Year
Revenue From Operations	173,166.89	177,694.62
Profits Before Depreciation, Finance Cost and Tax	21,511.73	22,378.52
Less: Depreciation	6,918.70	8,998.34
Less: Finance Cost	5,982.38	7,881.21
Profit / (Loss) before Tax	8,610.65	5,498.97
Less: Tax Expense:		
Current Tax	1,973.00	2,025.00
Deferred Tax	(375.83)	(760.07)
Profit/(Loss) for the period	7,013.48	4,234.04
Other Comprehensive Income		
A) Items that will not be reclassified to profit or loss	(55.87)	7.30
B) Items that will be reclassified to profit or loss	1,988.37	177.62
Total Comprehensive Income for the period	8,945.98	4,418.96

2. PERFORMANCE REVIEW

We would like to inform you that in view of the Indian Accounting Standard (AS)-108 (Operating Segment) the Company operates in two main segments i.e. Textile and Sugar.

i) **Textile:** The textile division accounts for 89.62% (including inter-segment) of the total turnover of the company for the year ended 31st March, 2017. The Business wise performance of this segment is as under:

- a. **Yarn:** The Company has produced 68,236 MTs of yarn as against 73,245 MTs in the previous year.
- b. **Fabric:** The Company has produced 747.20 lacs meters of fabrics (both grey and processed) as against 755.59 lacs meters in the previous year.

The total turnover of this segment (Yarns and Fabrics) has decreased to ₹ 1,551.26 crores as against ₹ 1,605.33 crores in the previous year showing a decrease of 3.37%.

ii) **Sugar:** The Company has produced 4,68,115 Qtls. of sugar as against 4,35,350 Qtls. in the previous year. The total turnover of this segment is ₹ 176.29 crores as against ₹ 163.10 crores in the previous year showing an increase of 8.09%.

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 ₹ 1,731.67 crores as against ₹ 1,776.95 crores showing a decrease of 2.59% over the previous year. The company has earned Profit before finance cost, Depreciation and tax of ₹ 215.12 crores as against ₹ 223.79 crores in the previous year. After providing for Finance Cost of ₹ 59.82 crores (previous year ₹ 78.81 crores), Depreciation of ₹ 69.19 crores (previous year ₹ 89.98 crores) and Tax Expenses of ₹ 15.99 crores (previous year ₹ 12.65 crores) (inclusive of Deferred Tax) the Profit for the year comes to ₹ 70.13 crores as against ₹ 42.34 crores in the previous year.

3. TRANSFER TO RESERVES

Your Company has transferred ₹ 84.12 Crores (Previous year ₹ 44.01 Crores) to the General Reserve out of profits available for appropriation after making a provision for dividend amounting to ₹ 4.79 Crores (inclusive of Dividend Distribution Tax).

4. CREDIT RATING

The Rating Committee of ICRA has upgraded the long term rating to [ICRA] A (pronounced ICRAA) from [ICRA] A- (pronounced ICRAAminus). The Outlook on the long-



term rating is Stable. The Rating Committee of ICRA has also upgraded the short-term rating to [ICRA] A1 (pronounced ICRA A one) from [ICRA] A2+ (pronounced ICRA A two plus).

5. DIVIDEND

The Board of Directors of your company has proposed dividend @ 10% (i.e. ₹ 1/- per equity share) on the Paid-up Equity Share Capital of the Company for the Financial Year 2016-17. The dividend will be paid subject to the approval by the shareholders in the forthcoming Annual General Meeting.

6. INVESTORS EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 ('the Act') the company has transferred an amount of Rs. 16,58,375/- being the amount of unclaimed dividend for the year 2008-09 to the Investor Education & Protection Fund (IEPF). Further unclaimed dividend for the year 2009-10 shall be transferred to the IEPF pursuant to the provisions of the Act in November, 2017. The Company has also sent letter / notice to the shareholders informing them to claim the Unclaimed Dividend from the Company before transferring the same to IEPF.

As per section 124(6) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF established by the Government of India. A list of such shareholders whose dividend is lying unclaimed and shares due for transfer is displayed on the website of the Company.

The MCA has clarified that shares due for transfer either held in physical form or demat form shall be transferred to IEPF Authority by operation of law. The MCA vide General Circular No. 06/2017 has extended the due date of transfer of shares to the IEPF Authority. The Company shall transfer shares to the account of IEPF Authority as and when MCA notifies the date.

7. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2017 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, 2017 none of the Promoters / Directors of the Company hold instruments convertible into equity shares of the Company.

8. DEPOSITS

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

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

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

10. MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

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

- In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Sh. Jawahar Lal Oswal (DIN: 00463866) and Sh. Dinesh Oswal (DIN: 00607290), Directors of the Company will be retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.
- The term of appointment of Dr. (Mrs.) Harbhajan Kaur Bal (DIN:00008576), Dr. Yash Paul Sachdeva (DIN: 02012337), Dr. Amrik Singh Sohi (DIN: 03575022) and Sh. Ajit Singh Chatha (DIN: 02289613) comes to an end on this Annual General Meeting. Pursuant to section 149(10) of the Companies Act, 2013 the Company is re-appointing Dr. (Mrs) Harbhajan Kaur Bal, Dr. Amrik Singh Sohi and Sh. Ajit Singh Chatha as Independent Directors, not liable to retire by rotation, for a further period of three consecutive years i.e. up to the conclusion of 36th Annual General Meeting to be held in the year 2020. Dr. Yash Paul Sachdeva has expressed his inability to continue as a Director for the next term. He will cease to be Director of the Company at the conclusion of this Annual General Meeting.
- The Company has received a notice pursuant to section 160 of the Companies Act, 2013 (the Act) along with the amount of requisite deposit from a member proposing the candidature of Dr. Suresh Kumar Singla (DIN: 00403423) for the office of Director. Members attention is drawn to a Resolution proposing the candidature of Dr. Suresh Kumar Singla (DIN: 00403423) as an Independent Director on the Board of the Company which is included at Item No. 9 of the Notice convening the Annual General Meeting.
- The term of office of Sh. Kamal Oswal (DIN: 00493213), Managing Director of the company expires on 31st January, 2018. The Nomination and Remuneration Committee of the Company has recommended and the Board has approved the re-appointment of Sh. Kamal Oswal as Managing Director of the Company for a period of five years i.e. up to 31st January, 2023, subject to members' approval.

**Declaration by Independent Directors**

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

Number of Meetings of the Board

During the year five Board Meetings were convened and held on 22.4.2016, 30.5.2016, 29.8.2016, 12.12.2016 and 14.2.2017. The detail thereof is also given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Board Evaluation

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

Independent Directors Meeting

During the financial year 2016-17 the Independent Directors met on 12.12.2016, inter-alia, to discuss:-

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

12. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the Annual Accounts for the year ended on 31st March, 2017, the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;
- iii) that the directors have taken proper and sufficient

care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) that annual accounts have been prepared on a going concern basis.
- v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. EXTRACT OF ANNUAL RETURN

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

14. RELATED PARTY TRANSACTIONS

During the financial year under review, all transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and are at arm's length basis. The company has not entered into any contract or arrangement with Related parties /Group companies other than in ordinary course of business. The details of Related Party Transactions are placed before the Audit Committee for its review and approval on quarterly basis. These transactions were entered into as per the Company's policy on Related Party Transactions and are approved by the Audit Committee, Board and also by Shareholders. The company's policy on Related Party Transactions is available at the web-link :www.owmnahar.com/nahar_ie/pdf/RPT_Policy.pdf. The details of Related Parties transactions are given in Note No. 36 of the Notes to Financial Statements. Pursuant to the provisions of section 134(3) Form AOC2 is annexed herewith in **Annexure-B**.

15. AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to Section 177 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, Dr. (Mrs) Harbhajan Kaur Bal as Members and Dr. Vijay Asdhir is the Chairman of the Audit Committee. The detailed information regarding Audit Committee and its terms of reference is given in Corporate Governance Report forming an integral part of the Directors Report.

**16. RISK MANAGEMENT**

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

17. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

The Indian accounting standard (Ind AS) became applicable on the Company w.e.f. 1st April, 2016. Accordingly the financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company appointed M/s Grant Thornton India LLP Gurugram (Haryana), a leading consultancy firm in the Accounting/Financial matters, to advice the Company on convergence of Ind AS. The report submitted by them has been implemented for preparing the financial statement for the year ended 31st March, 2017.

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

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 (CSR) Committee of the board in accordance with section 135 of the Companies Act, 2013. The Company has adopted a CSR Policy and undertaking CSR programmes/ projects along with group companies under one umbrella through Oswal Foundation (OSF) which is a registered society formed in 2006 having its charitable objects in various fields, a SPV recognized charitable organization. They are in the process of finalizing Eye Care and Health Care centre and for which the said organization is finalizing the project. The Company would contribute immediately the money of their CSR obligation for that purpose to the said foundation as and when they are ready to go with the project. During the year out of its profit the Company has set apart committed CSR liability amounting to ₹ 54.89 lacs equivalent to its CSR obligation. The CSR policy of the company has been placed on the Company's website at web-link http://www.ownahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf. The report on CSR activities as required under the Companies (Corporate Social Responsibility) Rules, 2014 including brief outline of the Company's CSR policy is annexed herewith marked as Annexure-C.

21. NOMINATION & REMUNERATION POLICY

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

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

Section 139 of the Companies Act, 2013 and the Rules made there under provides the mandatory rotation of statutory auditors. The transition period (three years) as provided under the Act for the existing auditors i.e. M/s Raj Gupta & Co., Chartered Accountants (Firm Registration No. 000203N) shall be completing at this ensuing 33rd Annual General Meeting of the Company. The Audit Committee of the Company has proposed and the Board of Directors in their meeting held on 14.08.2017 has recommended the appointment of M/s. K.R. Aggarwal & Associates, Chartered Accountants (Firm Registration No. 030088N) as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of this AGM till the conclusion of 38th AGM to be held in the year 2022. M/s K.R. Aggarwal & Associates has



confirmed their eligibility under section 141 of the Companies Act, 2013 and Rules framed there under for appointment as an auditor of the Company.

The Auditor's report on the accounts of the Company for the financial year 2016-17 issued by M/s. Raj Gupta & Co., Chartered Accountants, Auditors 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 2016-17. The cost audit report for the financial year 2015-16 was filed with the Ministry of Corporate Affairs on 22.10.2016. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in the Annual General Meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants, is included in the Notice convening the Annual General Meeting.

III) Secretarial Audit & Secretarial Audit Report

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

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 of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended up to date) in respect of employees of the Company, forming part of the Directors' Report for the year ended 31st March, 2017 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. ASSOCIATE / CONSOLIDATED FINANCIAL STATEMENTS

As on 31st March, 2017 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 Indian Accounting Standards (Ind AS) and pursuant to Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The audited consolidated financial statements are provided in the Annual Report. A statement containing salient features of financial statements of associate companies in Form AOC-1 is annexed with the financial statements. The financials of the associate companies is given below:-

i) Cotton County Retail Limited (CCRL)

The company holds 49.99% equity shares of CCRL. During the year, the revenue from operations of the company was ₹ 3680.68 lacs as compared to ₹ 2205.30 lacs in the previous year. The company has incurred a net loss of ₹ 429.40 lacs as against ₹ 782.78 lacs in the previous year.

ii) Atam Vallabh Financiers Limited (AVFL)

The company holds 36.85% equity shares of AVFL. During the year, the revenue from operations of the company was ₹ 53.92 lacs as compared to ₹ 35.36 lacs in the previous year. The company has earned a net profit of ₹ 45.64 lacs as against ₹ 26.79 lacs in the previous year.

iii) Vardhman Investment Limited (VIL)

The company holds 47.17% equity shares of VIL. During the year, the revenue from operations of the company was ₹ 57.77 lacs as compared to ₹ 33.23 lacs in the previous year. The company has earned a net profit of ₹ 49.58 lacs as against ₹ 24.83 lacs in the previous year.



iv) J L Growth Fund Limited (JLGF)

The company holds 41.10% equity shares of JLGF. During the year, the revenue from operations of the company was ₹ 74.87 lacs as compared to ₹ 29.49 lacs in the previous year. The company has earned a net profit of ₹ 93.89 lacs as against ₹ 25.31 lacs in the previous year.

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 2016-17 the company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31st March, 2017.

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
Dated: 14th August, 2017**

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



ANNEXURE - A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31/03/2017

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

I REGISTRATION AND OTHER DETAILS

- i) CIN : L15143PB1983PLC018321
- ii) Registration Date : 27/09/1983
- iii) Name of the Company : Nahar Industrial Enterprises Limited
- iv) Category / Sub-Category of the Company : Company Limited by Shares/ Indian Non- Government Company
- v) Address of the Registered office and contact details : Focal Point, Ludhiana- 141010
Phone: 0161-2672590-592, E-mail : msood@owmnahar.com
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Alankit Assignments Limited
Mr. Harish Agarwal & Mr. J.K Singla
(Unit: Nahar Industrial Enterprises Limited)
Alankit House, 1E/13, Jhandewalan Extension, New Delhi - 110055
Phone: 011-42541234, Fax No.: 011-42541201, 23552001,
E-mail : rta@alankit.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Textiles	131	89.62%

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 01/04/2016)				No. of shares held at the end of the year (As on 31/03/2017)				% 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	27237877	-	27237877	68.38	27310377	-	27310377	68.56	0.18
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Subtotal (A)(1)	27239201	-	27239201	68.38	27311701	-	27311701	68.56	0.18
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)	27239201	-	27239201	68.38	27311701	-	27311701	68.56	0.18
(B) Public Shareholding									
1) Institutions									
a) Mutual Fund/UTI	4938	13414	18352	0.05	4938	13414	18352	0.05	-
b) Banks/FI	3714	4921	8635	0.02	25592	4921	30513	0.08	0.06
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	169463	-	169463	0.43	169463	-	169463	0.43	-
g) FIs	-	112	112	-	-	112	112	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (NRI/OCB)	66403	257974	324377	0.81	156938	259431	416369	1.04	0.23
Sub total (B)(1)	244518	276421	520939	1.31	356931	277878	634809	1.60	0.29
2) Non-Institutions									
a) Bodies Corporate									
I. Indian	446129	38797	484926	1.22	844928	38772	883700	2.22	1.00
II. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I. Individual shareholder holding nominal share capital upto Rs. 1 Lakh	3225409	3219450	6444859	16.18	4189109	3160221	7349330	18.45	2.27
II. Individual shareholder holding nominal share capital in excess of Rs. 1 lakh	5145114	-	5145114	12.91	3654154	-	3654154	9.17	-3.74
c) Others (NBFC)	102	-	102	-	1447	-	1447	-	-
Sub-total (B)(2)	8816754	3258247	12075001	30.31	8689638	3198993	11888631	29.84	-0.47
Total Public Shareholding (B)=(B)(1)+(B)(2)	9061272	3534668	12595940	31.62	9046569	3476871	12523440	31.44	-0.18
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36300473	3534668	39835141	100.00	36358270	3476871	39835141	100.00	-



(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01/04/2016)			Shareholding at the end of the year (As on 31/03/2017)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered of total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered of total shares	
1	Nahar Capital & Financial Services Ltd.	9336745	23.44	-	9336745	23.44	-	-
2	J L Growth Fund Ltd.	3421836	8.59	-	3421836	8.59	-	-
3	Nahar Poly 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.	387987	0.97	-	460487	1.15	-	0.18
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	27239201	68.38	-	27311701	68.56	-	0.18

(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	387987	0.97	387987	0.97
	Purchased on 13.05.2016	28000	0.07	415987	1.04
	Purchased on 27.05.2016	44500	0.11	460487	1.15
	At the end of the Year	460487	1.15	460487	1.15

(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	01.04.2016			2590124	6.50
				24.06.2016	(143601)	Sale	2446523	6.14
				30.06.2016	(53520)	Sale	2393003	6.01
				08.07.2016	(84254)	Sale	2308749	5.80
				15.07.2016	(33268)	Sale	2275481	5.71
				22.07.2016	(104327)	Sale	2171154	5.45
				29.07.2016	(406033)	Sale	1765121	4.43
				05.08.2016	(38717)	Sale	1726404	4.33
				12.08.2016	(56280)	Sale	1670124	4.19
				21.10.2016	(200000)	Sale	1470124	3.69
				28.10.2016	(58087)	Sale	1412037	3.54
				11.11.2016	(107169)	Sale	1304868	3.28
				18.11.2016	(3656)	Sale	1301212	3.27
				25.11.2016	(551)	Sale	1300661	3.27
				02.12.2016	(200113)	Sale	1100548	2.76
				09.12.2016	(124401)	Sale	976147	2.45
				27.01.2017	(36998)	Sale	939149	2.36
				03.02.2017	(5507)	Sale	933642	2.34
				10.02.2017	(57495)	Sale	876147	2.20
				24.02.2017	(312)	Sale	875835	2.20
				10.03.2017	(24272)	Sale	851563	2.14
				17.03.2017	(25416)	Sale	826147	2.07
				24.03.2017	(23546)	Sale	802601	2.01
				31.03.2017	(129506)	Sale	673095	1.69



NAHAR INDUSTRIAL ENTERPRISES LIMITED

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2.	Ms. Dolly Khanna	0	0.00	01.04.2016 29.07.2016 23.09.2016 07.10.2016 14.10.2016 21.10.2016 28.10.2016 23.12.2016 06.01.2017 27.01.2017 03.02.2017 10.02.2017 17.02.2017 31.03.2017	45581 36833 11485 3508 16753 8200 4200 4650 34223 236820 7558 6649	Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase	0 45581 82414 93899 97407 114160 122360 126560 131210 165433 402253 409811 416460 416460	0.00 0.11 0.21 0.24 0.24 0.29 0.31 0.32 0.33 0.42 1.01 1.03 1.05 1.05
3.	Mr. Tara Chand Jain	254686	0.64	01.04.2016 05.08.2016 02.09.2016 16.09.2016 21.10.2016 28.10.2016 27.01.2017 31.03.2017	(2154) (747) (7459) (2000) (2997) (6000)	Sale Sale Sale Sale Sale Sale Sale	254686 252532 251785 244326 242326 239329 233329 233329	0.64 0.63 0.63 0.61 0.61 0.60 0.59 0.59
4.	Mr. Vinodchandra Mansukhlal Parekh	185847	0.47	01.04.2016 31.03.2017			185847 185847	0.47 0.47
5.	Mr. Shaunak Jagdish Shah	150118	0.38	01.04.2016 31.03.2017			150118 150118	0.38 0.38
6.	Ms. Sangeetha S.	130480	0.33	01.04.2016 31.03.2017			130480 130480	0.33 0.33
7.	Mr. Anil Kumar Goel	66635	0.17	01.04.2016 20.01.2017 31.03.2017	40625 740	Purchase Purchase	66635 107260 108000	0.17 0.27 0.27
8.	Mr. Pranav Kumarpal Parekh	81008	0.20	01.04.2016 10.03.2017 31.03.2017	15276	Purchase	81008 96284 96284	0.20 0.24 0.24
9.	Mr. Ajay Parekh	94020	0.24	01.04.2016 17.02.2017 17.03.2017 31.03.2017	100 100	Purchase Purchase	94020 94120 94220 94220	0.24 0.24 0.24 0.24
10.	Risi Finstock Private Limited	0	0.00	01.04.2016 10.03.2017 17.03.2017 31.03.2017	49533 35000	Purchase Purchase	0 49533 84533 84533	0.00 0.12 0.21 0.21
11.	Ms. Vandana Sehgal*	135174	0.34	01.04.2016 23.09.2016 16.12.2016 23.12.2016 31.12.2016 06.01.2017 13.01.2017 20.01.2017 31.03.2017	(11720) (6572) (9450) (22231) (46653) (36242) (2306)	Sale Sale Sale Sale Sale Sale Sale	135174 123454 116882 107432 85201 38548 2306 0 0	0.34 0.31 0.29 0.27 0.21 0.10 0.01 0.00 0.00
12.	The Oriental Insurance Company Limited*	77274	0.19	01.04.2016 31.03.2017			77274 77274	0.19 0.19
13.	Mr. Jatinder Nath Jhamb*	75000	0.19	01.04.2016 06.05.2016 13.05.2016 20.05.2016 27.05.2016 31.03.2017	(23000) (10000) (39500) (2500)	Sale Sale Sale Sale	75000 52000 42000 2500 0 0	0.19 0.13 0.11 0.01 0.00 0.00

* Ceased from top 10 shareholder list during the year

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



(v) Shareholding of Directors and Key Managerial Personnel

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

V INDEBTEDNESS

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

(₹ in '000)

Particulars	Secured Loan excluding deposits	Un-secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
I. Principal Amount	3888139	540207	-	4428346
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	3888139	540207	-	4428346
Change in Indebtedness during the Financial Year				
• Additions	560860	63099	-	623959
• Reduction	942988	-	-	942988
• Net Change	(382128)	63099	-	(319029)
Indebtedness at the end of the Financial Year				
I. Principal Amount	3506011	603306	-	4109317
II. Interest due but not paid	-	-	-	-
III. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	3506011	603306	-	4109317

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Sh. Kamal Oswal Vice Chairman-cum- Managing Director	
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24239520/-	24239520/-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	206100/-	206100/-
	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	14000000/-	14000000/-
	- Other, specify	-	-
5.	Others (Employer's share of PF)	1728000/-	1728000/-
	Total (A)	40173620/-	40173620/-
	Ceiling as per the Act : 10% of the Net Profits of the Company.		

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	50000/-	30000/-	40000/-	50000/-	50000/-	220000/-
	b) Commission	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-
	Total (1)	50000/-	30000/-	40000/-	50000/-	50000/-	220000/-
2.	Other Non-Executive Directors						
	a) Fee for attending board meeting	40000/-	50000/-	50000/-	50000/-	50000/-	190000/-
	b) Commission	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-
	Total (2)	40000/-	50000/-	50000/-	50000/-	50000/-	190000/-
	Total Managerial Remuneration (Total (B) = (1+2))						410000/-
	Overall ceiling as per the Act : 11% of the Net Profits of the Company.						



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	1609580/-	1768683/-	3378263/-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	88125/-	91313/-	179438/-
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
	Total (1)	1697705/-	1859996/-	3557701/-

VII PENALITES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

Place : Ludhiana
Date : 14th August, 2017

Jawahar Lal Oswal
(DIN : 00463866)
Chairman



Form No. AOC-2

ANNEXURE - B

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

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

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

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

2. Details of material contracts or arrangement or transactions (2016-17) at arm's length basis

(₹ In lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)
Oswal Woollen Mills Ltd	Purchase of Goods	2016-17	4197.64	Not Required	
	Sale of Goods		15605.00		
	Sale of Fixed Assets		8.16		
	Purchase of Fixed Assets		8.15		
	Processing Charges Received		166.34		
Nahar Spinning Mills Ltd	Purchase of Goods	2016-17	3493.59	Not Required	
	Sale of Goods		812.80		
	Rent Received		1.44		
Monte Carlo Fashions Ltd	Purchase of Goods	2016-17	6.95	Not Required	
	Sale of Goods		335.09		
	Rent Received		75.89		
Cotton County Retail Ltd.	Purchase of Goods	2016-17	18.09	Not Required	
	Processing Charges Paid		295.22		
	Sale of Goods		1398.16		
	Rent Received		15.18		
	Purchase of Fixed Assets		0.01		
J L Growth Fund Ltd.	Rent paid	2016-17	23.38	Not Required	
Hug Foods Pvt. Ltd.	Rent Received	2016-17	1.38	Not Required	
	Purchase of Fixed Assets		0.46		
Retailerkart e-venture Pvt. Ltd.	Rent Received	2016-17	1.38	Not Required	
Mr. Kamal Oswal	Rent Received	2016-17	15.00	Not Required	
Mrs. Manisha Oswal	Remuneration Paid	2016-17	28.65	Not Required	
Mr. Abhinav Oswal	Remuneration Paid	2016-17	5.74	Not Required	

For and on behalf of the Board of Directors

Place: Ludhiana
Date: 14th August, 2017

Jawahar Lal Oswal
(DIN : 00463866)
Chairman



ANNEXURE-C

Annual Report on Corporate Social Responsibility (CSR) Activities

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and recommended the same to the Board of Director of the Company for its approval. The Board of Directors has adopted the CSR Policy as recommended by CSR Committee. Under the CSR Policy, Company will broadly focus on medical relief and research, environment protection, promotion of education, social upliftment and any other activity as envisaged in the Companies Act. The details of CSR policy are available on the company's website www.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: ₹ 2,745.58 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 54.89 Lacs
5. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year: Nil*
 - (b) Amount Unspent, if any: ₹ 54.89 Lacs
 - (c) Manner in which the amount spent during the financial year is detailed below:

SR. No.	CSR Project/ Activity	Sector	Location of the Project	Amount Outlay (budget) Project or Program wise	Amount spent on the Project or Programs. Sub Heads: 1.Direct Expenditure on Projects or 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
--	--	--	--	--	--	--	--

Details of Implementing Agency : Oswal Foundation ('OSF")

6. Reason for not spending the amount:

*The Company is undertaking CSR programmes / projects along with group companies under one umbrella through Oswal Foundation (OSF) which is a registered society having its charitable objects in various fields, a SPV recognized charitable organization. They are in the process of finalizing Eye Care and Health Care centre and for which the said organization is finalizing the project. The Company would contribute immediately the money of their CSR obligation for that purpose to the said foundation as and when they are ready to go with the project. During the year out of its profit the Company has set apart committed CSR liability amounting to ₹ 54.89 lacs equivalent to its CSR obligation.

7. The Chairman of the Corporate Social Responsibility (CSR) Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

**Form No. MR-3
SECRETARIAL AUDIT REPORT****ANNEXURE-D****For the financial year ending 31st March, 2017**

[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, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1st April, 2016 to 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Nahar Industrial Enterprises Limited ("the company") for the financial year ended on **31st March, 2017** 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, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

2. I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors during the period under review.
- 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.

For P S Bathla & Associates

Parminder Singh Bathla
FCS No. 4391
C.P No. 2585

Place : Ludhiana
Date: 12th August, 2017

SCO-6, Feroze Gandhi Market,
Ludhiana

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

Annexure A

To,
The Members,
Nahar 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
FCS No. 4391
C.P No. 2585

Place : Ludhiana
Date: 12th August, 2017

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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 is as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2016-17 (₹ in lacs)	% increase in Remuneration in the Financial year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1.	Sh. Jawahar Lal Oswal (Chairman)	*0.40	33.33	0.46
2.	Sh. Kamal Oswal (Managing Director)	401.74	1394.57	458.48
3.	Sh. Dinesh Oswal (Non-Executive Director)	*0.50	25	0.57
4.	Sh. Dinesh Gogna (Non-Executive Director)	*0.50	25	0.57
5.	Sh. Navdeep Sharma (Non-Executive Director)	*0.50	66.67	0.57
6.	Dr. (Mrs) Harbhajan Kaur Bal (Non-Executive Director)	*0.50	25	0.57
7.	Dr. Yash Paul Sachdeva (Non-Executive Director)	*0.30	-25	0.34
8.	Dr. Amrik Singh Sohi (Non-Executive Director)	*0.40	100	0.46
9.	Sh. Ajit Singh Chatha (Non-Executive Director)	*0.50	25	0.57
10.	Dr. Vijay Asdhir (Non-Executive Director)	*0.50	25	0.57
11.	Sh. Bharat Bhushan Gupta (Chief Financial Officer)	18.60	3.85	21.23
12.	Sh. Mukesh Sood (Company Secretary)	16.98	10.19	19.38

*Sitting Fee paid for attending the Board Meetings.

- (ii) In the financial year 2016-17, there was an increase of 5.95% in the median remuneration of employees.
- (iii) There were 10473 permanent employees on the rolls of Company as on 31st March, 2017.
- (iv) Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year i.e. 2016-17 was 10 % whereas the increase in the key managerial remuneration for the same financial year was 626.45 %.

(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 Commencement of Employment	Age (in Yrs)	Last Employment held
1.	Sh. Kamal Oswal, Managing Director*	401.74	Contractual	B.Com 33 years	01.02.1998	55	Nahar International Ltd.
2.	Sh. Shib Shanker Basu, President	31.15	Regular	B.Sc Tech (Textile) 38 years	01.08.2016	60	Vardhman Group
3.	Mrs. Manisha Oswal, President**	28.65	Regular	Graduate 5 years	01.04.2012	52	----
4.	Sh. Debasish Kumar Dasgupta, General Manager	28.07	Regular	M.Tech (Textile) 34 years	08.05.1996	57	Vardhman Group
5.	Sh. Krupesh J Thakkar, General Manager#	20.97	Regular	Dip. in Textile Process 24 years	21.06.2012	46	Alok Industries Ltd.
6.	Sh. Harish Pahwa, General Manager	20.73	Regular	B.A. 43 Years	01.04.1997	64	Oswal Vanaspati
7.	Sh. Bharat Bhushan Gupta, Chief Financial Officer	18.60	Regular	CA 39 years	20.11.1979	60	---
8.	Sh. Arun Kumar Nijhawan, President	18.33	Regular	B.Tech (Textile) 35 years	04.07.1995	56	Vardhman Group
9.	Sh. Daljeet Singh Viridi, Vice President	17.30	Regular	CA 33 years	07.09.1993	62	Metro Tyres Ltd.
10.	Sh. Satish Sharma Vice President	17.20	Regular	Dip. in Textile Technology 22 years	01.07.1995	51	World Textiles Ltd.

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

**Mrs. Manisha Oswal is a relative of Sh. Kamal Oswal and Sh. Jawahar Lal Oswal.

#Employees who have left the organization in the financial year 2017-18.

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:**

- a) Measures taken for conservation of energy:
- i) Use of high efficiency motors and energy saving devices.
 - ii) Technical up-gradation and modernization of various machines.
 - iii) Organized training programmes on different aspect of energy conservation.
 - iv) Company has installed Biomass/multifuel Co-generation power plant at Lalru & 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 : Nil

(iv) Expenditure on R & D	Current Year	(₹ in Lacs) Previous Year
a) Capital	0.00	12.47
b) Recurring	46.17	36.84
Total	<u>46.17</u>	<u>49.31</u>

C FOREIGN EXCHANGE EARNING & OUTGO

i) Total foreign exchange earnings and outgo:	Current Year	(₹ in Lacs) Previous Year
Earnings	15,324.09	20,853.64
Outgo	6,800.69	6,390.50

For and on behalf of the Board of Directors

Place: Ludhiana
Date: 14th August, 2017

Jawahar Lal Oswal
(DIN : 00463866)
Chairman



CORPORATE GOVERNANCE REPORT

ANNEXURE-G

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors

A. Information relating to Directors

- i. As on 31st March, 2017 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 5 (five) times during the period April, 2016 to March, 2017 on - 22.04.2016, 30.05.2016, 29.08.2016, 12.12.2016 & 14.02.2017 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 31.03.2017 are presented hereunder:

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

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 Vice Chairman cum Managing Director also has a one to one discussion with the newly appointed directors to familiarise them with the Company's operations. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's Procedures and Policies. Directors are having access to all documents/ information needed for good understanding of the Company, its operations and the industry in which it operates. The Company has put in place a system to familiarize its Independent Directors with the Company which is available at the weblink: www.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 2016-17 are given below:

(Amount in ₹)

Name of the Directors	Sitting Fee	Salary, Allowance & Perquisites	Performance Incentives	Commission	Total
Sh. Jawahar Lal Oswal	40,000/-	Nil	Nil	Nil	40,000/-
Sh. Kamal Oswal	Nil	2,61,73,620/-	Nil	1,40,00,000/-	4,01,73,620/-
Sh. Dinesh Oswal	50,000/-	Nil	Nil	Nil	50,000/-
Sh. Dinesh Gogna	50,000/-	Nil	Nil	Nil	50,000/-
Dr.(Mrs.) Harbhajan Kaur Bal	50,000/-	Nil	Nil	Nil	50,000/-
Sh. Navdeep Sharma	50,000/-	Nil	Nil	Nil	50,000/-
Dr. Yash Paul Sachdeva	30,000/-	Nil	Nil	Nil	30,000/-
Dr. Amrik Singh Sohi	40,000/-	Nil	Nil	Nil	40,000/-
Sh. Ajit Singh Chatha	50,000/-	Nil	Nil	Nil	50,000/-
Dr. Vijay Asdhir	50,000/-	Nil	Nil	Nil	50,000/-

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 2016-17.

Place : Ludhiana
Dated : 14.08.2017

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



3. Board Level Committees

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

A. Audit Committee

The Company has formed an Audit Committee of the Board of Directors of the Company. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Listing Regulations. The committee consisted of three non executive Director namely Sh. Dinesh Gogna, Dr. Vijay Asdhir and Dr. (Mrs.) Harbhajan Kaur Bal. Dr. Vijay Asdhir, an independent non executive director is the Chairman of the Committee. All committee members have requisite experience in the field of finance and are well versed in financial and accounting matters. Mr. Bharat Bhushan Gupta, Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the committee. Mr. Mukesh Sood, Company Secretary acts as Secretary to the Audit Committee. The Committee met 4 (four) times during the period April 2016 to March 2017 i.e. 30.05.2016, 29.08.2016, 12.12.2016 & 14.02.2017 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 29.08.2016 in the Financial year 2016-17 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, 2016 to March, 2017 i.e. 30.05.2016, 29.08.2016, 12.12.2016 & 14.02.2017 in the financial year 2016-17 and the attendance of each member is as under:



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

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	28	Nil
Non Receipt of Shares whether in demat or physical form	Nil	75	Nil
Non Receipt of Annual Reports etc.	Nil	10	Nil
Total	Nil	113	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
2013-14	Registered Office	30.09.2014	02.00 P.M.	2
2014-15	Registered Office	30.09.2015	10.00 A.M.	---
2015-16	Registered Office	30.09.2016	10.00 A.M.	1

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.owmnahar.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
Tuesday, 26th September, 2017 at 10.00 A.M. at the Registered Office at Focal Point, Ludhiana-141 010 (Punjab)
- Financial Year
Financial Results for the financial year 2017-18 will be announced tentatively in
July - August, 2017
October - November, 2017
January - February, 2018
April - May 2018
April to March
First Quarter Results
Second Quarter Results
Third Quarter Results
Fourth quarter & Annual audited results.
- Book Closure
09.09.2017 to 16.09.2017 (both days inclusive).
- Dividend
The Board of Directors has recommended dividend @ 10% i.e. Rs.1/- per equity share for the financial year ended 31.03.2017. Dividend Payment date : 29.09.2017



Unclaimed/Unpaid Dividend **The Company had paid dividend @ 10% on equity shares of the Company for the financial year 2009-10, 2010-11, 2012-13, 2013-14 & 2015-16. Members who have not claimed the dividend for the aforesaid period may approach to the Share Department of the Company. Unclaimed dividend for 2009-10 is due to transfer to the Investor Education and Protection Fund after the expiry of seven years.**

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 2017-18 has already been paid to both the stock exchanges.

vi. Stock Code **BSE – 519136, NSE – NAHARINDUS**

vii. **Distribution of Shareholding as on 31.03.2017**

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate No. of Shares held	% of Shareholding
1-500	79967	97.54	5211052	13.08
501-1000	1108	1.35	828759	2.08
1001-2000	409	0.50	612836	1.54
2001-3000	155	0.19	397390	1.00
3001-4000	74	0.09	268918	0.67
4001-5000	61	0.07	282631	0.71
5001-10000	96	0.12	709197	1.78
10001 & above	117	0.14	31524358	79.14
Total	81987	100.00	39835141	100.00

viii. **Shareholding Pattern as on 31.03.2017**

Shares held by	No. of Shares	% of shareholding
Promoters	27311701	68.56
Mutual Funds & UTI	18352	0.05
Bank & Financial Institutions	30513	0.07
Insurance Companies	169463	0.43
Foreign Holding (FIL's, NRIs, OCBs)	416369	1.04
Private Bodies Corporate (Others)	795579	2.00
Indian Public	11093164	27.85
Total	39835141	100.00

ix. **Dematerialisation of Shares**

As on 31.03.2017, 91.27% of equity share capital is held in dematerialized form under **ISIN-INE289A01011**.

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

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

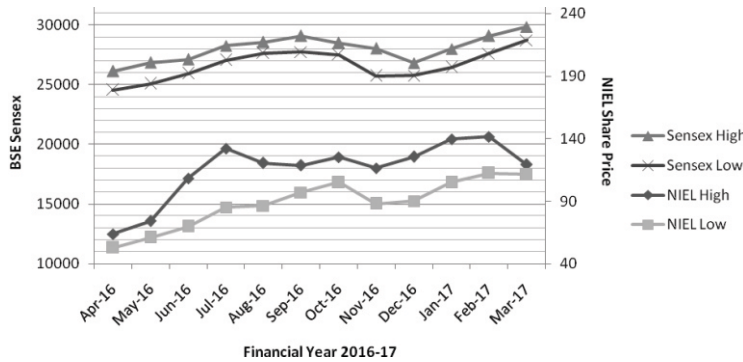
xi. **Stock Market Data :**

Month	NSE		BSE	
	High	Low	High	Low
April-2016	63.65	53.10	63.70	52.70
May-2016	74.65	59.30	74.00	61.10
June-2016	108.30	69.20	108.40	69.60
July-2016	131.30	84.25	132.00	85.00
August-2016	121.60	85.25	120.50	86.40
September – 2016	118.80	95.75	118.65	97.10
October-2016	125.00	105.05	125.20	105.00
November-2016	117.20	87.25	116.50	88.00
December-2016	125.50	90.00	125.60	90.00
January-2017	139.50	104.55	139.55	105.00
February-2017	141.25	112.50	141.60	112.30
March-2017	119.80	110.75	119.25	111.30

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

iii. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Listing Regulations during the financial year were in the ordinary course of business and are at arm's length basis. These transactions were entered into as per the Company's Policy on Related Party Transactions. The company's policy on Related Party Transactions is available at the company's weblink at www.ownahar.com/nahar_ie/pdf/RPT_Policy.pdf. As required by the Indian Accounting Standard (Ind AS) the details of related party transactions are given in Note No.36 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

**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, 2017 the Company has complied with the requirements stated thereunder.

For Nahar Industrial Enterprises Limited

**Place : Ludhiana
Dated : 30th May, 2017**

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

**Bharat Bhushan Gupta
Chief Financial Officer**

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

To,
The Members of
Nahar Industrial Enterprises Limited

We have examined the compliance of regulations of corporate governance by Nahar Industrial Enterprises Limited ("the Company"), for the year ended on 31st March 2017, as prescribed in para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. Our examinations has been limited to a review of the procedure and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

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

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

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

**Place : Ludhiana
Dated : 14th August, 2017**

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



Management Discussion and Analysis report 2017

Overview of the economy

During the year 2016-17 global economic growth remained stagnant at 3.1%-following lower investments and uncertainties in advanced economic policies. Though the US experienced a weak GDP growth, the emerging market and developing economies performed comparatively better. Among the emerging and developing world, China continues to grow moderately with persistent support from the authorities. India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world. In FY 2016-17 Indian economies slowed down and grew at 7.1% as compared to the growth of 7.9% achieved in the previous year. The reason of lower growth is largely attributed to demonetization initiatives undertaken by the Indian Government in 3rd quarter of FY 2016-17. After witnessing demonetization in FY2017, the Indian economy is going to see another major reform in the form of implementation of GST from 1st July, 2017. These initiatives are expected to provide a huge fillip to the industry. But the net impact of these reforms shall be known only in due course of time.

Industry Structure/ Development (Textiles)

The Indian textile and clothing industry (Textile industry) is one of the oldest industries of the country. The textile industry has two broad segments. First, the unorganized sector consisting of handloom, handicrafts and sericulture and the second is the organized sector consisting of spinning, weaving, knitting, garments and home textiles segment. The unorganized segment mainly depends on traditional method of operations whereas the organized sector has applied modern machinery and techniques. The Indian textile Industry has inherent linkage with agriculture and with the culture and traditions of the country making for its versatile spread of products appropriate for both in domestic and export markets. The textile industry has a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings of the country and meets out one of the basic needs of the people at large popularly pronounced as Kapda. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP) (source: www.iebf.org).

Overall, the Government has been supportive in encouraging textile industry in India. Many schemes have been announced from time to time to promote the sector. To further promote the textile industry, the Ministry of textile announced Powerloom Sector scheme, amended technology

upgradation fund scheme, Focus Market/ Product Scheme and garmenting promotion package. The Indian textiles industry, currently estimated at around US \$ 110 billion. But the Government of India through its National Textile policy and National Textile Vision Document has set the target for Indian Textile and Apparel Industry to \$ 350 billion by 2025 (domestic \$ 200 billion and export \$150 billion). The draft National Textile Policy is currently under formulation based on extensive consultations with the industry associations representing all segments of the sector, State Governments and the recommendations of the expert committee. The textile sector has perfect alignment with Government's key initiatives of Make in India, Skill India, women empowerment and Rural Youth Employment. With the right Government policies, we believe that the Indian Textile industry is well poised to benefit from the large opportunities offered in the domestic and export market.

The year under review was challenging year for the Textile industry with lot of challenges. Despite the challenges, the Indian textile Industry has performed reasonably well. The US and Europe economies are on the path of recovery; it would have positive impact on Indian industry too. Your Company has confidence that the Indian textile industry has bright prospects. Your Company has positioned itself as an integrated textile player with (approx) 2.65 lakh spindles and 8200 rotors, 510 looms, 58.4 Million meters (Per annum) processing capacity, Rotary Printing set-up - prints of Woven and Denim Products 21.6 million meters (Per annum), Calendaring Machine (for Special Finishes) 12 million meters (Per annum) and Soft Flow Dyeing Machine - Rayon and Modal Products 2 million meters (Per annum) to reap the benefits of economies of scale and become competitive in terms of cost and quality.

Management perception of Risk / Concern / Threat / Opportunities

No Industry is free from normal business risk. The relative competitiveness of textile Industry is dependent upon the raw cotton prices, exchange rates and prevalent interest rates. Cotton is the primary raw material for the textile industry, being an agriculture produce its quality and supply are depend on nature i.e. Monsoon. Availability of raw cotton at the reasonable prices is crucial for the textile industry; any significant change in the raw cotton prices can affect the performance of the industry. Cotton prices remained volatile from July 16 to Oct 16 and softened with commencement of new season. The Prices again picked up thereafter. Thus fluctuations in the prices of cotton have affected the performance of the textile companies. Normal



monsoon is good sign for cotton crop, if the forecast doesn't hold good, it may affect the performance of textile industry.

Production and productivity of cotton in India have improved significantly during past decades. India is the largest producer and 2nd largest exporter of cotton in the world. India exports cotton mainly to Bangladesh, China, Vietnam, Pakistan, Indonesia, Taiwan etc. India is also leading consumer of cotton. In world's cotton acreage India is placed no.1 with around 118 lakh hectares under cotton cultivation i.e. around 39% of the world area of 304 lakh hectares. In terms of productivity, India ranks poorly compared to USA & China. During 2016-17 India's productivity is estimated at 568.29 kg/ha (Source: Ministry of Textiles Annual report 2016-17). Since launch of "Technology Mission on Cotton" by Government of India in February 2000 significant achievements have been made in increasing yield and production. The fundamental changes that are taking place in the realm of cotton cultivation in the country are having the potential to take the current productivity level near to the world average in the near future.

Rising labour cost, un-interrupted power supply, higher interest cost, increasing prices of raw material and high transportation costs are other key challenges faced by Indian textile sector that can impact the growth of the Indian textile industry. The Government should support the industry by reducing the interest rates. Though RBI has taken some remedial measures in this regard but still a lot more is required to be done. Volatility in forex continues to be major risk factor. There has been sharp volatility in Forex Rates creating another challenge for Indian exporters. Indian textile industry is facing tough competition from other Asian Countries like Bangladesh, Vietnam, Pakistan and Sri Lanka due to favourable tariff structures on exports to developed markets.

There are certain other challenges being faced by the Industry at large; weak investments, below par levels of productivity coupled with increase in protectionism policies by the advanced economies are the key risks that can put downward pressure on global economic activity. India is still facing challenges on account of lower service exports and weak manufacturing growth. The information technology sector woes are also casting pall on consumer demands. However with the Industry's increasing preparedness, awareness and recognition of its potential by the present government, the emerging opportunities can be better achieved.

Outlook

In-spite of several impediments of growth, India has enabled to maintain a steady growth in textile Industry. To face the tough time ahead for textile industry, the Government must support the industry to retain its competitive edge. Though India's fundamentals still remain strong, the markets are there although they are presently subdued. Under the present scenario, it is not easy to predict when consumer demand revives both in India and globally. The Indian economy witnessed gradual momentum in the post demonetisation and it is expected to accelerate in future years in view of the Government's continuous efforts to push various financial and agricultural reforms, including technological improvements across all sectors. The Indian Government's decisive policy manoeuvres towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead (Source: International Monetary Fund (IMF) and Economic Survey). 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. Economic activity in India is expected to recover past the slowdown due to demonetization and moving slowly in the transition phase of smooth implementation of GST. Key reforms like Bankruptcy Code, implementation of GST and thrust towards digitization are expected to well for economic growth. These all combined efforts should lead to low and stable interest rate regime. Domestically, however the new law of GST is likely to dilute the present tax arbitrage, which is available to the unorganized players, moving the market towards organized players.

China has been losing market share over the last few years driven by rising labour cost and appreciating currency. China's declining market share has provided an opportunity for other key textile exporters including India to scale up and excel in this sector. The developed countries including US, UK, Germany and Japan all have accepted the reality that commercially it is not viable for them a thriving textile industry because of high cost of labour and skilled manpower. These countries are looking at India as suitable and reliable choice for their requirements. This shift is expected to happen in the long run which is providing new place of opportunities as per the theory of "expected vacating places", to make India a dependable source of supply of textile products for the world. There is scope for growth in 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.



Domestic market continues to do well. Domestic demand is supported by a rising consumer class with higher disposable income. Growing Indian economy and higher disposable income is leading to strong domestic demand which augurs very well for Indian textile industry.

Despite some headwinds, global economy has been recovering. With recovery in global economy there would be positive impact on Indian economy too. 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 improvement in efficiency of both human and mechanical assets, to reduce the cost pressure. The Company keeps reviewing its strategy in the light of changes. With the right Government policies, we believe that the Indian Textile industry is well poised to benefit from the large opportunities offered in the domestic and export market.

Industry structure/Development (sugar)

The Indian Sugar Industry is the second largest agro based industry after textiles, supporting over 50 million sugar farmers and around 5 lakh workers directly employed in sugar mills besides providing indirect employment to rural population through various ancillary activities. (Source: Annual Report 2016-17 Department of Food & Public Distribution Ministry of Consumer Affairs, Food & Public Distribution Government of India). The Indian sugar industry is highly fragmented by the co-existence of private, co-operative and public sector. The crushing period in India varies from region to region beginning in Oct/Nov and goes on till March/April except in southern states where it continues till July/Aug depending upon the availability of sugar cane. India is second largest producer of Sugar and largest consumer of sugar in the world. Brazil, India, China and Thailand rank amongst the top global producers of sugar.

Sugar is a sector of significant importance to Indian economy. The year 2013-14 was a water-shed for the sugar industry. The Central Government discontinued the system of levy obligations on mills for sugar produced after September, 2012 and abolished the regulated release mechanism on open market sale of sugar.

However the adoption and implementation of recommendations of the Committee relating to Cane Area Reservation, Minimum Distance Criteria and adoption of the Cane Price Formula is still awaited as the same have been left to State Governments for implementation.

Management perception of Risk/Concern/Threat

The Sugar industry is vulnerable to government policies that influence costs, cane availability, distribution controls and exports. High political interest in fixing raw material prices and the lack of alignment between cost of main raw material (sugarcane) and recovered price of processed product (sugar) is the major concern for the sugar industry. Climatic factors and sugarcane pricing policy results in uneven sugarcane production making India an inconsistent exporter or importer. High dependence on ground water for irrigation, weakening soil quality through prolonged fertilizer and pesticide use also matter of concern.

The Indian Sugar industry has witnessed a challenging phase as sugar production exceeded the sugar consumption levels from Sugar Season (SS) 2010-11 to SS 2014-15 resulted into surplus sugar. The sugar prices started declining from August 2014 on account of surplus stock of sugar both in domestic and global markets.

Sugar companies were under pressure as falling of ex-mill sugar prices below production costs marked by steep rise in sugarcane price year after year coupled with tumbling sugar prices, mounting losses for sugar mills leading to compulsive shut-downs. The Central and state Governments in the preceding years tried to revive the sugar industry by implementing and adopting rationale policies. A balanced demand supply situation in India also supported the initiative and ensured that sugar prices remained reasonable.

Outlook

This sector is the focal point of socio-economic development of the rural India. India's population growth is expected to sustain making it the most populous nation. India's sugar per capita consumption is largely driven by increased personal incomes, a trend that is unlikely to reverse into the long-term. India is increasingly a country



of young earners, creating a large and new consumption base (among the largest in the world) that is likely to drive sugar consumption.

Good sugarcane production across the country is expected in SS 2017-18 due to better monsoon and water availability in reservoirs. Farmers are still growing 'surplus' sugarcane as no other crop giving equivalent returns. The long term outlook for sugar remains positive and promising on account of; growing energy consumption in India allowing the sugar industry to play a vital role, environmental friendly power generated by Co-generation Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output, mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.

Segment wise/ Financial/Operational performance

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

Internal Control System and Their Adequacy

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

The Indian accounting standard (Ind AS) became applicable on the Company w.e.f. 1st April, 2016. Accordingly the financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company appointed M/s Grant Thornton India LLP Gurugram (Haryana), a leading consultancy firm in the Accounting/Financial matters, to advice the Company on convergence of Ind AS. The report submitted by them has been implemented for preparing the financial statement for the year ended 31st March, 2017.

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 10473 as on 31/03/2017. The industrial relations were cordial and satisfactory.

Cautionary statement

Though 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: 14th August, 2017**

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



Independent Auditor's Report

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

We have audited the accompanying Standalone Ind AS financial statements of Nahar Industrial Enterprises Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2017 and its profit, total comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in 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 including other comprehensive income, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act,
 - e. On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Standalone financial statements – Refer Note 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) during the period from 9th November, 2016 to 30th December, 2016. However, we are unable to comment as the company has not maintained separate records of SBN and other denomination.

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

Place : Ludhiana
Dated : 30th May, 2017

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



**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 Ind AS financial statements for the year ended 31st March, 2017, 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. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company except for Land measuring 66.11 acres situated at village Jalalpur, chd-ambala road, Lalru district Mohali.
- (ii) (a) According to information and explanations given, the management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted loans, or given guarantees and security. So the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
However, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 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, 2017 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	199.68	Commissioner Appeals, Chandigarh
The Income Tax Act, 1961	Income Tax	1,368.90	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.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with



section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required Ind AS 24.

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

provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

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

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

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

Place : Ludhiana
Dated : 30th May, 2017

**“Annexure B” to the Independent Auditors’ Report
(Referred to in Paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’
Section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **Nahar Industrial Enterprises Limited** (“the Company”) as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Ludhiana
Dated : 30th May, 2017



BALANCE SHEET AS AT 31st MARCH, 2017

PARTICULARS	NOTE NO.	As At 31st March, 2017 (₹ In Lacs)	As At 31st March, 2016 (₹ In Lacs)	As At 1st April, 2015 (₹ In Lacs)
ASSETS				
Non-Current Assets				
a)Property, Plant and Equipment	3	53,260.41	54,082.62	59,867.39
b)Capital work in progress		5,557.51	1,831.38	3,987.02
c)Investment Property	4	1,220.73	1,275.94	1,220.37
d)Other Intangible assets	5	62.50	116.88	171.25
e)Financial Assets				
i) Investments	6a	13,654.39	12,011.24	11,824.33
ii) Loans	6b	1,042.08	1,159.38	1,112.64
f)Other non current assets	7	199.85	221.33	241.98
Total Non-Current Assets		74,997.47	70,698.77	78,424.98
Current Assets				
a)Inventories	8	64,346.26	65,635.76	63,967.78
b)Financial Assets				
i)Trade receivable	9a	20,937.45	18,397.70	17,418.18
ii)Cash and cash equivalents	9b	167.75	241.74	220.72
iii)Other bank balances	9c	109.59	101.78	123.68
iv)Loans	9d	73.25	83.87	95.82
v)Other Financial assets	9e	00.15	00.13	00.13
c)Government Grant Receivables	10	2,587.64	2,750.74	2,198.86
d)Current tax Assets (Net)	11	--	--	681.39
e)Other current assets	12	11,153.40	9,448.61	9,429.55
Total Current Assets		99,375.49	96,660.33	94,136.11
TOTAL ASSETS		174,372.96	167,359.10	172,561.09
EQUITY AND LIABILITIES				
Equity				
a)Equity Share Capital	13	4,003.42	4,003.42	4,003.42
b)Other Equity	14	64,917.41	56,505.76	52,104.33
Total Equity		68,920.83	60,509.18	56,107.75
Liabilities				
Non-Current Liabilities				
a)Financial Liabilities				
i)Borrowings	15a	33,143.56	34,912.14	42,003.12
ii)Other Financial Liabilities	15b	553.81	524.06	501.57
b) Provisions	16	642.00	479.66	571.01
c) Deferred tax liabilities (net)	17	595.76	496.84	1,927.34
d) Other non-current liabilities	18	47.64	71.43	95.22
Total Non-Current Liabilities		34,982.77	36,484.13	45,098.26
Current Liabilities				
a)Financial Liabilities				
i) Current Borrowings	19a	46,942.99	49,925.00	40,886.20
ii)Trade Payables	19b	9,337.30	5,029.09	10,470.46
iii)Other Financial Liabilities	19c	10,376.55	11,651.50	16,381.73
b)Other Current Liabilities	20	2,537.17	2,117.62	2,883.24
c)Provisions	21	1,081.89	899.60	733.45
d) Current Tax Liabilities (Net)	22	193.46	742.98	--
Total Current Liabilities		70,469.36	70,365.79	71,355.08
TOTAL EQUITY AND LIABILITIES		174,372.96	167,359.10	172,561.09

The accompanying notes are an integral part of these standalone financial statements **1 to 54**

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, 2017

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, 2017

PARTICULARS	NOTE NO.	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
INCOME			
Revenue from Operations	23	173,166.89	177,694.62
Other Income	24	561.93	487.08
Total Revenue		173,728.82	178,181.70
EXPENSES			
Cost of Materials Consumed	25	96,218.29	89,768.56
Purchases of stock-in-trade	26	2,684.51	1,006.94
Change in inventories of Finished Goods, Work -in-Progress and stock in trade	27	(5,936.51)	4,199.71
Excise Duty Expenses	28	942.70	693.78
Employee Benefit Expense	29	17,492.54	16,968.31
Finance Costs	30	5,982.38	7,881.21
Depreciation and Amortisation Expense	3,4,5	6,918.70	8,998.34
Other expenses	31	40,815.56	43,165.88
Total Expenses		165,118.17	172,682.73
Profit Before Tax		8,610.65	5,498.97
Tax expense	32		
(1) Current tax		1,973.00	2,025.00
(2) Deferred tax		(375.83)	(760.07)
Profit After Tax for the period		7,013.48	4,234.04
Other Comprehensive Income (OCI)			
A Items that will not be reclassified to profit or loss			
(i) Re-measurement gains (losses) on defined benefit plans		(55.87)	7.30
B Items that will be reclassified to profit or loss			
(i) Net Gain on FVOCI equity securities		1,988.37	177.62
Total Other Comprehensive Income (A+B)		1,932.50	184.92
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		8,945.98	4,418.96
Basic and diluted earnings per equity share (Face value of equity share ₹10 each)	39	17.61	10.63
The accompanying notes form an integral part of these financial statements		1 to 54	

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, 2017

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-
Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	2016-17 (₹ In Lacs)	2015-16 (₹ In Lacs)
(A) Cash Flow from Operating Activities		
Net profit before Tax	8,610.65	5,498.97
Adjustment for:		
Depreciation	6,918.70	8,998.34
Power & fuel Exp	13.82	13.82
Other Income	(34.09)	(33.07)
Rent	6.26	6.26
Remeasurement of defined benefit plan	(55.87)	7.30
Sundry balances written back (Net)	239.68	134.59
Provision for diminution in value of investment	355.52	--
Profit on sale of Property, Plant and Equipment (Net)	(175.31)	(56.49)
Dividend Received	(62.13)	(44.02)
Interest Income	(169.29)	(233.80)
Interest Expense	5,982.38	7,881.21
Operating Profit before Working Capital Changes	21,630.32	22,173.11
Adjustment for		
Trade & Other Receivable	(4,198.53)	(1,730.28)
Inventories	1,289.50	(1,667.98)
Trade & Other Payables	5,192.96	(5,911.93)
Cash Generated from operations	23,914.25	12,862.92
Direct Taxes Paid	(2,047.83)	(1,271.07)
Net Cash from Operating Activities	21,866.42	11,591.85
(B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(10,151.67)	(1,479.34)
Sale of Property, Plant and Equipment	614.00	476.69
Interest Received	169.29	233.80
Dividend Received	62.13	44.02
Net cash used in Investing Activities	(9,306.25)	(724.83)
(C) Cash Flow from Financing Activities		
Interest paid	(5,982.38)	(7,881.21)
Dividend paid	(390.58)	(22.07)
Corporate dividend tax	(81.09)	--
Proceeds from Long Term Borrowings (Net)	(3,190.29)	(12,003.42)
Changes in Working Capital Borrowings	(2,982.01)	9,038.80
Net Cash used in Financing Activities	(12,626.35)	(10,867.90)
Net Change in Cash & Cash Equivalents (A+B+C)	(66.18)	(00.88)
Opening Cash & Cash Equivalents	343.52	344.40
Closing Cash & Cash Equivalents	277.34	343.52

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, 2017

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice Chairman-cum-
Managing Director



Statement of Changes in Equity for the Year ended 31st March 2017

PARTICULARS	2016-17 (₹ In Lacs)
A. Equity Share Capital	
As at April 1, 2015	4,003.42
Issue of Equity Share capital	--
As at March 31, 2016	4,003.42
Issue of Equity Share capital	--
As at March 31, 2017	4,003.42

B. Other Equity
Attributable to the equity holders

PARTICULARS	Reserve & Surplus					Retained Earnings	Total
	Security Premium Reserve	Capital Reserve	Capital Redemption Reserve	Contingent Liability Reserve	General Reserve		
Balance as at April 1, 2015	33,454.08	9,474.86	1,925.00	754.90	6,495.49	--	52,104.33
Profit for the year	--	--	--	--	--	4,234.04	4,234.04
Remeasurement gain/(Loss) on Defined benefit plan	--	--	--	--	--	7.30	7.30
Other Comprehensive Income	--	--	--	--	--	177.62	177.62
Total Comprehensive Income for the year	33,454.08	9,474.86	1,925.00	754.90	6,495.49	4,418.96	56,523.29
CSR Expense	--	--	--	--	--	(17.53)	(17.53)
Transfer to General Reserve	--	--	--	--	--	(4,401.43)	(4,401.43)
Transfer from Retained Earning	--	--	--	--	4,401.43	--	4,401.43
Balance as at March 31, 2016	33,454.08	9,474.86	1,925.00	754.90	10,896.92	--	56,505.76
Profit for the year	--	--	--	--	--	7,013.48	7,013.48
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	(55.87)	(55.87)
Other Comprehensive Income	--	--	--	--	--	1,988.37	1,988.37
Total Comprehensive Income for the year	33,454.08	9,474.86	1,925.00	754.90	10,896.92	8,945.98	65,451.74
Dividends (including tax thereon)	--	--	--	--	--	(479.44)	(479.44)
CSR Expense	--	--	--	--	--	(54.89)	(54.89)
Transfer from Retained Earning	--	--	--	--	8,411.65	--	8,411.65
Transfer to General Reserve	--	--	--	--	--	(8,411.65)	(8,411.65)
Balance as at March 31, 2017	33,454.08	9,474.86	1,925.00	754.90	19,308.57	--	64,917.41

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, 2017

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, 2017****1. Background**

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

Note: 2 Significant accounting policies

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

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

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

The financial statements up to year ended 31st March, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements for the year ended 31st March, 2017 are the first financial statements of the Company prepared under Ind AS. Refer note 53 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical Cost Convention

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

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

(iii) Rounding of amounts

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

(b) Fair Value Measurement

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

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

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

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

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

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

**Notes to Financial Statements for the year ended 31st March, 2017**

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

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

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

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

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

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

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

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

(c) Current versus non-current classification

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

(d) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their useful lives except in case of Arham Spinning Mills, Lalru. In case of new projects and major expansion of the existing units undertaken by the Company after

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

(e) Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on the basis of Written Down Value Method based on expected life span

**Notes to Financial Statements for the year ended 31st March, 2017**

of assets which is in accordance with Schedule II of Companies Act, 2013. Significant parts of the property are depreciated separately based on their specific useful lives. Any gain or loss on disposal of investment properties is recognised in profit or loss account.

(f) Intangible assets**Computer Software**

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

(g) Impairment of Non-financial assets

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(h) Inventories

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

The Excise Duty in respect of the closing inventory of finished goods is included as part of the finished goods.

(i) Borrowing costs

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

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

(j) Government Grant

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

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

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

(k) Provisions, Contingent liabilities and Contingent Assets

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is

**Notes to Financial Statements for the year ended 31st March, 2017**

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

(l) Foreign currency translation

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

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

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, value added taxes.

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

Sale of goods

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

Revenue from Services

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

Other operating revenue - Export incentives

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

(n) Leases

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

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

**Notes to Financial Statements for the year ended 31st March, 2017****(o) Income Tax**

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

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

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

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

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

(p) Cash and cash equivalents

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

(q) Trade receivables

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

(r) Financial instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

**Notes to Financial Statements for the year ended 31st March, 2017****Fair Value through OCI:**

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

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

Fair Value through Profit or Loss:

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

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

Classification and Subsequent Measurement: Financial liabilities:

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

Financial Liabilities at FVTPL:

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

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

Other Financial Liabilities:

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

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

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Company.

Follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

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

(s) Derivative financial instruments

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

**Notes to Financial Statements for the year ended 31st March, 2017**

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

(t) Offsetting financial instruments

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

(u) Derivatives that are not designated as hedges

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

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

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

(ii) Post-employment obligations

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

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

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

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

(iii) Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(w) Segment reporting

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

(x) Trade and other payables

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

**Notes to Financial Statements for the year ended 31st March, 2017****(y) Borrowings**

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

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

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

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company

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

(ii) Diluted earnings per share

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

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

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

Note: 2.1 Critical estimates and judgements

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 32
- Estimation of defined benefit obligation – Note 46
- Recognition of deferred tax assets for carried forward tax losses – Note 17

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



Notes to Financial Statements for the year ended 31st March, 2017

3. PROPERTY, PLANT AND EQUIPMENT		GROSS BLOCK						DEPRECIATION BLOCK				NET BLOCK	
		As at 01.04.2016	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2017	Upto 31.03.2016	Provided during the year	Adjusted/ Written back during the year	Total Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016		
Leasehold Land	123.49	--	--	123.49	27.86	1.25	--	29.11	94.38	95.63			
Freehold Land	8,201.51	400.30	--	8,601.81	--	--	--	--	8,601.81	8,201.51			
Building	34,532.06	48.20	416.66	34,163.60	14,785.43	1,185.13	43.51	15,927.05	18,236.55	19,746.63			
Plant & Machinery	140,023.89	5,588.08	811.02	144,800.95	114,705.76	5,360.71	757.35	119,309.12	25,491.83	25,318.13			
Furniture & Fixtures	912.33	12.49	1.18	923.64	579.45	92.94	00.57	671.82	251.82	332.88			
Office Equipment	1,030.67	28.09	3.81	1,054.95	874.52	65.95	3.40	937.07	117.88	156.15			
Vehicles	660.82	348.42	50.88	958.36	429.13	103.13	40.04	492.22	466.14	231.69			
TOTAL	185,484.77	6,425.58	1,283.55	190,626.80	131,402.15	6,809.11	844.87	137,366.39	53,260.41	54,082.62			

3. PROPERTY, PLANT AND EQUIPMENT		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	Adjusted/ Written back during the year	Total Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015				
Leasehold Land	123.49	--	123.49	26.61	1.25	--	27.86	95.63	96.90				
Freehold Land	7,244.82	957.11	8,201.51	--	--	--	--	8,201.51	7,244.82				
Building	34,157.73	952.75	34,532.06	13,587.67	1,263.20	65.44	14,785.43	19,746.63	20,570.06				
Plant & Machinery	138,724.65	1,581.42	140,023.89	107,660.45	7,317.92	272.61	114,705.76	25,318.13	31,064.20				
Furniture & Fixtures	901.11	12.88	912.33	459.36	121.07	00.98	579.45	332.88	441.75				
Office Equipment	962.47	75.36	1,030.67	781.59	98.71	5.78	874.52	156.15	180.88				
Vehicles	660.72	55.46	660.82	391.94	83.34	46.15	429.13	231.69	268.78				
TOTAL	182,774.99	3,634.98	185,484.77	122,907.62	8,885.49	390.96	131,402.15	54,082.62	59,867.39				



Notes to Financial Statements for the year ended 31st March, 2017

(₹ In Lacs)

4. INVESTMENT PROPERTY		GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
PARTICULARS	As at 01.04.2016	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2017	Upto 31.03.2016	Provided during the year	Adjusted/ Written back during the year	Total Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Free Hold Land	162.75	--	--	162.75	--	--	--	--	162.75	162.75
Building	1,436.02	--	--	1,436.02	322.83	55.21	--	378.04	1,057.98	1,113.19
TOTAL	1,598.77	--	--	1,598.77	322.83	55.21	--	378.04	1,220.73	1,275.94
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	Adjusted/ Written back during the year	Total Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Free Hold Land	162.33	00.42*	--	162.75	--	--	--	--	162.75	162.33
Building	1,256.95	179.07*	--	1,436.02	198.91	123.92*	--	322.83	1,113.19	1,058.04
TOTAL	1,419.28	179.49*	--	1,598.77	198.91	123.92*	--	322.83	1,275.94	1,220.37

Note :- Addition during the year of ₹. 179.49 Lacs in Gross Block and of ₹. 65.44 lacs Depreciation provided during the year transfer from Property, Plant And Equipment.
Amount recognised in profit and loss for investment properties :-

Particulars	31 st March, 2017	31 st March, 2016
Rental Income	97.85	95.54
Direct operating expenses that generated rental income	55.21	58.48
Profit from leasing of investment properties	42.64	37.06

5. OTHER INTANGIBLE ASSETS		GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
PARTICULARS	As at 01.04.2016	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2017	Upto 31.03.2016	Provided during the year	Adjusted/ Written back during the year	Total Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer Software	458.31	--	--	458.31	341.43	54.38	--	395.81	62.50	116.88
TOTAL	458.31	--	--	458.31	341.43	54.38	--	395.81	62.50	116.88
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	Adjusted/ Written back during the year	Total Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer Software	458.31	--	--	458.31	287.06	54.37	--	341.43	116.88	171.25
TOTAL	458.31	--	--	458.31	287.06	54.37	--	341.43	116.88	171.25



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
6.(a) Investments			
(i) Investment in Equity Instrument			
Investments in Associates (Unquoted) (COST)			
180,000- Fully paid up Equity shares (180,000 as at 31 st March, 2016 and 180,000 as at 1 st April, 2015) @ ₹100 each of J.L. Growth Fund Ltd.	1,684.80	1,684.80	1,684.80
250,000- Fully paid up Equity shares (250,000 as at 31 st March, 2016 and 250,000 as at 1 st April, 2015) @ ₹100 each of Vardhman Investment Ltd.	1,475.00	1,475.00	1,475.00
164,000- Fully paid up Equity shares (164,000 as at 31 st March, 2016 and 164,000 as at 1 st April, 2015) @ ₹100 each of Atam Vallabh Financers Ltd.	1,066.00	1,066.00	1,066.00
10,729,474- Fully Paid up Equity shares (10,729, 474 as at 31 st March, 2016 and 10,729, 474 as at 1 st April, 2015) @ ₹10 each of Cotton County Retail Ltd.	3,978.92	3,978.92	3,978.92
Sub Total	<u>8,204.72</u>	<u>8,204.72</u>	<u>8,204.72</u>
(ii) Investment in Equity Instrument			
Investments at fair value through OCI			
Investments in others (Quoted)			
2,356,930- Fully Paid up Equity Shares(2,356,930 as at 31 st March, 2016 and 2,356,930 as at 1 st April, 2015) @ ₹5 each of Nahar Spinning Mills Ltd.	3,188.93	2,154.23	2,029.32
1,264,720-Fully Paid up Equity Shares (1,264,720 as at 31 st March, 2016 and 1,264,720 as at 1 st April, 2015) @ ₹5 each of Nahar Poly films Ltd.	768.32	413.56	259.27
1,363,221- Fully paid up Equity Shares (1,363,221 as at 31 st March, 2016 and 1,363,221 as at 1 st April, 2015) @ ₹5 each of Nahar Capital & Financial Services Ltd.	1,381.62	783.86	886.09
12,555 -Fully paid up Equity Shares (12,555 as at 31 st March, 2016 and 12,555 as at 1 st April, 2015) @ ₹10 each of Pasupati Acrylon Ltd.	2.81	1.66	1.01
50- Fully paid up Equity shares (50 as at 31 st March, 2016 and 50 as at 1 st April, 2015) @ ₹10 each of Malwa Cotton Mills Ltd.	--	--	--
Sub Total	<u>5,341.68</u>	<u>3,353.31</u>	<u>3,175.69</u>



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
(iii) Investment in Equity Instrument			
Investments at fair value through OCI			
Investments in Others (Unquoted)	2.80	2.80	2.80
30,900- Fully paid up Equity shares (30,900 as at 31st March, 2016 and 30,900 as at 1st April, 2015) @ ₹10 each of BPL Engineering Ltd.			
	00.23	00.23	00.23
22,500- Fully paid up Equity shares (22,500 as at 31st March, 2016 and 22,500 as at 1st April, 2015) @ ₹10 each of Pertech Computer Ltd.			
	00.08	00.08	00.08
7,700 Fully Paid up Equity shares (7,700 as at 31st March, 2016 and 7,700 as at 1st April, 2015) @ ₹10 each of R.S. Petro Chemical Ltd.			
	00.51	00.51	00.51
3,360- Fully paid up Equity shares (3,360 as at 31st March, 2016 and 3,360 as at 1st April, 2015) @ ₹100 each of Nagdevi Trading & Investment Co. Ltd.			
	00.36	355.88	355.88
3,558,786- Fully paid up Class-'A' Equity shares (3,558,786 as at 31st March, 2016 and 3,558,786 as at 1st April, 2015) @ ₹10 each of VS Lignite Power Pvt. Ltd.			
One Fully paid up Equity share(1 as at 31st March, 2016 and 1 as at 1st April, 2015) of @ ₹100 of Punjab State Co-Operative Bank Ltd.	--	--	--
One Fully paid up Equity shares (1 as at 31st March, 2016 and 1 as at 1st April, 2015) @ ₹5,000 each of Krishna Building Owners Association	00.05	00.05	00.05
Sub Total	4.03	<u>359.55</u>	<u>359.55</u>
(iv) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted)			
At Amortised COST			
3,156,958- Fully paid up Class 'A' 0.01% Cumulative Redeemable Preference Shares (3,156,958 as at 31st March, 2016 and 3,156,958 as at 1st April, 2015) @ ₹10 each of VS Lignite Power Pvt. Ltd.	103.96	93.66	84.37
Sub Total	103.96	<u>93.66</u>	<u>84.37</u>
TOTAL(i+ii+iii+iv)	13,654.39	<u>12,011.24</u>	<u>11,824.33</u>
1. Market Value of Quoted Investment	5,341.68	3,353.31	3,175.69
2. Aggregate amount of Unquoted Investment	8,312.71	8,657.93	8,648.64
3. Aggregate amount of Total Investment	13,654.39	12,011.24	11,824.33



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March, 2017 (₹ In Lacs)	As At 31st March, 2016 (₹ In Lacs)	As At 1st April, 2015 (₹ In Lacs)
6b Loans (Unsecured, considered good)			
Security deposits	1,042.08	1,159.38	1,112.64
	<u>1,042.08</u>	<u>1,159.38</u>	<u>1,112.64</u>
7. Other Non-Current Assets			
Capital Advances	12.85	12.85	12.85
Prepaid Lease Rentals	43.80	50.06	56.31
Deferred Power Purchase Cost	133.52	147.34	161.17
Prepaid Expense	9.68	11.08	11.65
Total	<u>199.85</u>	<u>221.33</u>	<u>241.98</u>
8. Inventories (As taken, valued and approved by management)			
Raw Materials	26,180.14	33,425.13	27,076.88
Work-in-Progress	5,678.90	4,885.64	4,779.12
Finished Goods	29,794.75	24,651.50	28,957.73
Stores and Spares	2,692.47	2,673.49	3,154.05
Total	<u>64,346.26</u>	<u>65,635.76</u>	<u>63,967.78</u>
8.1 Detail of Inventory-Finished Goods			
Yarn	6,603.20	5,450.24	5,805.15
Fabrics	9,053.01	8,575.76	9,995.51
Sugar	12,586.19	9,931.16	11,884.55
Other	1,552.35	694.34	1,272.52
Total	<u>29,794.75</u>	<u>24,651.50</u>	<u>28,957.73</u>
9a Trade receivables Unsecured, considered good	20,937.45	18,397.70	17,418.18
Total	<u>20,937.45</u>	<u>18,397.70</u>	<u>17,418.18</u>
9b Cash and cash equivalents			
Balances with banks - current accounts	126.35	96.08	110.86
Cash-in-Hand	41.40	145.66	109.86
Total	<u>167.75</u>	<u>241.74</u>	<u>220.72</u>
9c Other bank balances			
Unpaid Dividend Account	105.84	98.07	120.14
Fixed deposit having original maturity more than 3 months but less than 12 months	3.75	3.71	3.54
Total	<u>109.59</u>	<u>101.78</u>	<u>123.68</u>
9d Loans Loans to Employee	73.25	83.87	95.82
Total	<u>73.25</u>	<u>83.87</u>	<u>95.82</u>



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
9e Other Financial assets			
Other Financial assets	00.15	00.13	00.13
Total	<u>00.15</u>	<u>00.13</u>	<u>00.13</u>
10 Government Grant Receivables			
Government Grant Receivables	2,587.64	2,750.74	2,198.86
Total	<u>2,587.64</u>	<u>2,750.74</u>	<u>2,198.86</u>
11 Current tax assets			
Advance income Tax/TDS/TCS	--	--	758.45
Less Provision for Taxation	--	--	77.06
Total	<u>--</u>	<u>--</u>	<u>681.39</u>
12 Other current assets			
Advances to suppliers	3,059.09	3,158.88	1,907.60
Advances to employees	16.41	11.45	18.00
Balance with government authorities	3,771.81	3,203.76	3708.46
Prepaid expenses	257.75	229.97	202.55
Prepaid Lease rentals	6.26	6.26	7.98
Deferred Power Purchase Cost	13.82	13.82	13.82
Expense recoverable	4,028.26	2,824.47	3571.14
Total	<u>11,153.40</u>	<u>9,448.61</u>	<u>9,429.55</u>
13. Equity Share Capital			
Authorized:			
65,000,000 Equity Shares (65,000,000 as at 31st March, 2016 and 65,000,000 1st April, 2015) of ₹10/- each	6,500.00	6,500.00	6,500.00
Total	<u>6,500.00</u>	<u>6,500.00</u>	<u>6,500.00</u>
Issued, Subscribed and Fully Paid up :			
39,835,141 Equity Shares (39,835,141 as at 31st March, 2016 and 39,835,141 1st April, 2015) of ₹ 10/- each	3,983.51	3,983.51	3,983.51
Add: Share Forfeited Account (Amount originally paid up)	19.91	19.91	19.91
Total	<u>4,003.42</u>	<u>4,003.42</u>	<u>4,003.42</u>
a. Reconciliation of the number of equity Shares outstanding :			
At the beginning of the year	39,835,141	39,835,141	39,835,141
Outstanding at the end of year	<u>39,835,141</u>	<u>39,835,141</u>	<u>39,835,141</u>



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At		As At		As At	
	31 st March, 2017 (₹ In Lacs)		31 st March, 2016 (₹ In Lacs)		1 st April, 2015 (₹ In Lacs)	

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		As At	
	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	Number	% of holding	Number	% of holding	Number	% of holding
Nahar Capital & Financial Services Ltd.	9,336,745	23.44	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	3,421,836	8.59
Nahar Poly Films Ltd.	2,708,800	6.80	2,708,800	6.80	2,708,800	6.80
Vardhman Investments Ltd.	2,277,955	5.72	2,277,955	5.72	2,277,955	5.72
Oswal Woollen Mills Ltd.	2,094,819	5.26	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	2,273,625	5.71
Kovalam Investment & Trading Co. Ltd.	2,068,920	5.19	2,068,920	5.19	2,068,920	5.19
Ashish Dhawan	--	--	25,901.24	6.50	25,901.24	6.50



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March, 2017 (₹ In Lacs)	As At 31st March, 2016 (₹ In Lacs)	As At 1st April, 2015 (₹ In Lacs)
14. Other Equity			
Capital Reserve			
Balance as per last Balance Sheet	9,474.86	9,474.86	9,474.86
Capital Redemption Reserve			
Balance as per last Balance Sheet	1,925.00	1,925.00	1,925.00
Securities Premium Account			
Balance as per last Balance Sheet	33,454.08	33,454.08	33,454.08
Contingent Liability Reserve			
Balance as per last Balance Sheet	754.90	754.90	754.90
General Reserve			
Balance as per last Balance Sheet	10,896.92	6,495.49	6,495.49
Add: Transfer from Retained Earnings	8,411.65 19,308.57	<u>4,401.43</u> 10,896.92	<u>---</u> 6,495.49
Retained Earnings			
Balance as per last Balance Sheet	---	---	---
Add: Profit for the year	7,013.48	4,234.04	---
Add: Remeasurement gain/(loss) on defined benefit plan	(55.87)	7.30	---
Add: Other Comprehensive income	1,988.37	177.62	---
Less: Corporate social Responsibility	54.89	17.53	---
Less: Dividend on Equity shares	398.35	---	---
Less: Corporate Dividend Tax	81.09	---	---
Balance Transferred to General Reserve	8,411.65	<u>4,401.43</u>	<u>---</u>
	<u>64,917.41</u>	<u>56,505.76</u>	<u>52,104.33</u>
15a Borrowings			
Term Loans (Secured)			
From Banks	27,110.50	29,510.07	36,949.14
Others (Unsecured)			
Loans And Advances from Related Parties	6,033.06	5,402.07	5,053.98
Total	<u>33,143.56</u>	<u>34,912.14</u>	<u>42,003.12</u>

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

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



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)
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15a.1 Terms of repayment of long term borrowings :

i) Terms of repayment of term loans*

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

* Figures of term loan stated in para 15 a i (i) includes current maturities of long term debt shown separately in Note no 19c and exclude ₹ 33.69 Lacs Transaction Cost amortised over the period of Term Loan.

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

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



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS

As At
31st March, 2016
(₹ In Lacs)

Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 31st March, 2016 :

Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans*

As At 31 st March, 2016 (₹ In Lacs)	Repayment Period from origination (years)	Installments outstanding as on 31 st March, 2016	
		No.	Periodicity
853.86	4	3	Quarterly
786.65	4	3	Quarterly
3,000.00	3.5	14	Quarterly
3,000.00	3.5	14	Quarterly
241.64	8	1	Quarterly
76.68	8	4	Quarterly
759.40	8	12	Quarterly
8,848.00	8	16	Quarterly
1,227.12	8	16	Quarterly
2,423.90	8	17	Quarterly
10,514.61	8	21	Quarterly
1,973.63	5	20	Quarterly
1,872.50	8	5	Quarterly
163.13	8	4	Quarterly
683.70	8	15	Quarterly
390.60	5	20	Quarterly
1,089.00	4	16	Quarterly
996.78	3	12	Quarterly
1.86	3	10	Monthly
1.96	3	10	Monthly
2.03	3	11	Monthly
2.14	3	12	Monthly
2.22	3	12	Monthly
4.08	3	15	Monthly
4.21	3	24	Monthly
2.36	3	13	Monthly
38,922.06			

* Figures of term loan stated in para 15 a i (i) includes current maturities of long term debt shown separately in Note no 19c and exclude ₹ 40.67 Lacs Transaction Cost amortised over the period of Term Loan.

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 Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amlon, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.

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



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS

As At
1st April, 2015
(₹ In Lacs)

Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 1st April, 2015 :

Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans*

As At 1 st April, 2015 (₹ In Lacs)	Repayment Period from origination (years)	Installments outstanding as on 1 st April, 2015	
		No.	Periodicity
1,991.00	4	7	Quarterly
1,836.65	4	7	Quarterly
726.00	8	3	Quarterly
3,000.00	3.5	14	Quarterly
3,000.00	3.5	14	Quarterly
1,831.23	8	6	Quarterly
172.63	8	9	Quarterly
1,075.80	8	17	Quarterly
9,629.00	8	20	Quarterly
1,416.08	8	20	Quarterly
2,783.02	8	21	Quarterly
28.97	8	1	Quarterly
920.65	8	5	Quarterly
11,452.51	8	25	Quarterly
510.00	5	20	Quarterly
446.02	8	4	Monthly
1,107.95	6	72	Quarterly
532.17	8	3	Quarterly
3,469.85	8	10	Quarterly
321.65	8	8	Quarterly
813.42	8	19	Quarterly
120.00	8	2	Quarterly
1,950.00	3	3	Quarterly
1,148.00	3	11	Monthly
996.78	3	12	Monthly
3.89	3	22	Monthly
4.12	3	22	Monthly
4.04	3	23	Monthly
4.13	3	24	Monthly
4.13	3	24	Monthly
7.00	3	28	Monthly
6.00	3	36	Monthly
4.28	3	36	Monthly
51,316.97			

* Figures of term loan stated in para 15 a i (i) includes current maturities of long term debt shown separately in Note no 19c and exclude ₹ 84.07 Lacs Transaction Cost amortised over the period of Term Loan.

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 Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.

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



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March, 2017 (₹ In Lacs)	As At 31st March, 2016 (₹ In Lacs)	As At 1st April, 2015 (₹ In Lacs)
15b Other Financial Liabilities			
Security deposit	343.82	314.07	291.58
Other Liabilities	209.99	209.99	209.99
Total	553.81	524.06	501.57
16 Provisions			
Provision for Gratuity	642.00	479.66	571.01
Total	642.00	479.66	571.01
17 Deferred Tax Liabilities (net)			
Deferred Tax Liability			
Relating to property, plant and equipment	1,641.81	1,562.29	2,378.63
Deferred tax assets			
Disallowance u/s 43B of the Income Tax Act, 1961	540.81	106.28	197.62
Others	505.24	959.17	253.67
Total	595.76	496.84	1,927.34
18 Other Non-current Liabilities			
Deferred Income	47.64	71.43	95.22
Total	47.64	71.43	95.22
19a Current Borrowings			
From Banks			
Loans repayable on demand	46,942.99	49,925.00	40,886.20
Total	46,942.99	49,925.00	40,886.20
19a.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.		
19b Trade Payable			
Micro Small and Medium Enterprises	—	—	—
Others	9,337.30	5,029.09	10,470.46
Total	9,337.30	5,029.09	10,470.46

19b.1 In response to the letters sent to the suppliers seeking to know the status of their coverage under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) the Company has received replies from some of the suppliers. Disclosures as required under Section 22 of the MSMED Act, 2006 are given below:

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 1st April, 2015
The Principal amount and the interest due thereon unpaid to any supplier			
- Principal Amount	--	--	--
- Interest thereon	--	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--	--



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
-------------	--	--	---

Particulars	As At 31 st March, 2017	As At 31 st March, 2016	As At 1 st April, 2015
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.	--	--	--

19c Other Financial Liabilities

Unpaid dividend	105.84	98.07	120.14
Due to Employees	2,287.38	2,128.43	1,971.41
Derivative Liability	33.72	53.68	6.42
Current Maturities	7,949.61	9,371.32	14,283.76
Total	10,376.55	11,651.50	16,381.73

19c.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor's Education and Protection Fund.

20 Other current Liabilities

Statutory dues payables	384.53	376.74	372.62
Advance from customers	436.90	214.88	186.96
Deferred Income	23.78	23.79	23.79
Others	1,691.96	1,502.21	2,299.87
Total	2,537.17	2,117.62	2,883.24

21 Provisions

Provision for Employee Benefits	179.04	123.40	206.70
Provision for Excise duty payable	902.85	776.20	526.75
Total	1,081.89	899.60	733.45

22 Current Tax Liabilities (Net)

Advance income Tax / TDS / TCS	1,779.54	1,282.02	--
Less Provision for Taxation	1,973.00	2,025.00	--
Total	193.46	742.98	--



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
23. Revenue from Operations		
a) Sale of Products	169,035.90	174,947.78
b) Sale of services	567.41	367.15
c) Miscellaneous sales	2,818.23	1,156.31
d) Other operating revenue		
Others	--	85.49
Export Incentives	745.35	1,137.89
Total	173,166.89	177,694.62
23.1 Details of Products Sold		
Yarn	84,463.18	86,600.62
Fabrics	67,851.11	71,309.33
Sugar	15,700.13	15,091.63
Others	4,407.12	3,469.66
Total	172,421.54	176,471.24
24. Other Income		
Interest income	169.29	233.80
Other non-operating income		
Dividend Income	62.13	44.02
Rental Income	105.82	100.05
Profit on sale of Fixed Assets	179.48	56.61
Others	45.21	52.60
Total	561.93	487.08
25. Cost of Material Consumed		
Opening Stock	33,425.13	27,076.88
Add : Purchases (Net)	88,973.30	96,116.81
Less: Closing Stock	26,180.14	33,425.13
Total	96,218.29	89,768.56
25.1 Detail of cost of Material Consumed		
Fibres	77,368.33	74,689.10
Yarn	3,387.99	3,244.08
Sugarcane	13,628.76	10,323.50
Others	1,833.21	1,511.88
Total	96,218.29	89,768.56
26. Purchase of Stock-in-Trade		
Yarn	2,597.47	935.89
Fabrics	83.21	56.08
Garments	3.83	14.87
Total	2,684.51	1,006.94
27. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	4,885.64	4,779.12
Finished Goods	24,651.50	28,957.73
Total	29,537.14	33,736.85
Less : Closing Stock		
Work-in-progress	5,678.90	4,885.64
Finished Goods	29,794.75	24,651.50
Total	35,473.65	29,537.14
Total	(5,936.51)	4,199.71



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
28 Excise Duty Expenses		
Excise Duty on sales	942.70	693.78
	<u>942.70</u>	<u>693.78</u>
29. Employee Benefits Expense		
Salary, Wages and Other Allowances	15,647.39	15,179.97
Contribution to provident and other funds	1,694.94	1,588.88
Staff welfare expenses	133.97	149.42
Staff Recruitment & Development expenses	16.24	50.04
Total	<u>17,492.54</u>	<u>16,968.31</u>
30 Finance cost		
Interest Expense	5,814.83	7,546.47
MTM loss/(gain) on forward Contracts	(19.96)	47.25
Other Borrowings Cost	187.51	287.49
	<u>5,982.38</u>	<u>7,881.21</u>
31 Other expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	13,901.01	14,587.12
Power and Fuel	20,145.11	22,265.23
Handling and Restacking charges	585.89	393.39
Machinery Repairs and Maintenance	525.48	416.24
Excise duty on stocks	126.64	249.44
Sub Total	<u>35,284.13</u>	<u>37,911.42</u>
b. Administrative & Other Expenses		
Rent	57.16	40.20
Rates & Taxes	122.33	311.98
Insurance	324.51	300.33
Legal & Professional Expenses	103.34	122.38
Travelling & Conveyance*	499.31	538.06
Vehicle Repair & Maintenance	136.04	104.21
Repairs and Maintenance	270.46	261.25
Payment To Auditor	15.62	16.77
Loss on Sale/Discard of Fixed Assets	4.17	00.12
Provision of Diminution in Value of Investment	355.52	--
Directors Remuneration	399.68	26.88
Directors' Meeting Fees	4.72	3.66
Charity & Donation	00.14	00.57
Miscellaneous Expenses	495.65	396.92
Sub Total	<u>2,788.65</u>	<u>2,123.33</u>
*Include Director Travelling of ₹ 28.84 Lacs (Previous Year ₹35.53 Lacs)		
c. Selling Expenses		
Forwarding and Octroi	1,588.20	1,924.52
Commission & Brokerage	860.18	917.39
Other Selling Expenses	294.40	289.22
Sub Total	<u>2,742.78</u>	<u>3,131.13</u>
Total (a+b+c)	<u>40,815.56</u>	<u>43,165.88</u>
31.1 Payment to Auditors		
As Auditor:		
Audit fee	10.03	9.98
Tax audit fee	3.79	3.20
In other capacity:	00.95	2.81
Reimbursement of expenses	00.85	00.78
Total	<u>15.62</u>	<u>16.77</u>



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
32. Tax Expense		
Current Tax	1,973.00	2,025.00
Deferred Tax	(375.83)	(760.07)
Total	1,597.17	1,264.93
32.1 Reconciliation of tax liability of book profit vis-a-vis actual Tax Liability		
Accounting Profit Before Tax	8,610.68	5,498.97
Enacted Tax Rate	34.608%	34.608%
Current Tax Expenses on Profit before Tax at the enacted Income tax rate in India	2,979.98	1,903.08
Less : Adjustments in respect of differences are of permanent nature as per Income Tax act	1,083.92	899.81
Less : Other Deferred Tax Adjustment	298.89	(261.66)
Income Tax Expenses reported in the Statement of Profit & Loss	1,597.17	1,264.93

33) CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) Letter of Credits in favour of suppliers and others ₹ 864.00 Lacs (as at 31st March, 2016 ₹ 2,408.62 Lacs and as at 1st April, 2015 ₹ 694.98 Lacs).
- b) Bank Guarantees in favour of suppliers and others ₹ 2,218.26 Lacs as at 31st March, 2016 ₹ 1,803.22 Lacs and as at 1st April, 2015 ₹ 1,159.11 Lacs).
- c) Sales tax demands against which the company has preferred appeals ₹ 67.17 Lacs .(as at 31st March, 2016 ₹ 67.17 Lacs and as at 1st April, 2015 ₹ 67.17 Lacs).
- d) Income tax demands against which the company has preferred appeals ₹ 1,368.89 Lacs .(as at 31st March, 2016 ₹ 1,175.84 Lacs and as at 1st April, 2015 ₹ 646.83 Lacs).
- e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 640.83 Lacs on various matters under the Central Excise Rules (as at 31st March, 2016 ₹ 603.16 Lacs and as at 1st April, 2015 ₹ 819.44 Lacs). The Company has filed suitable replies with the concerned authorities.
- f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 3,124.90 Lacs (as at 31st March, 2016 ₹ 3,124.90 Lacs and as at 1st April, 2015 ₹ 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.
- g) Claims of ₹ 3,602.98 Lacs .(as at 31st March, 2016 ₹ 3,525.40 Lacs and as at 1st April, 2015 ₹ 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.

34) Capital Commitment

Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ 908.89 Lacs (as at 31st March, 2016 ₹ 1,076.15 Lacs and as at 1st April, 2015 ₹ 5,398.67 Lacs).

- 35) The Company has undertaken export obligations of ₹ 50,005.74 Lacs (as at 31st March, 2016 ₹ 49,246.31 Lacs and as at 1st April, 2015 ₹ 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 ₹ 48,426.05 Lacs as at 31st March, 2016 ₹ 47,666.62 Lacs and as at 1st April, 2015 ₹ 65,881.82 Lacs have been fulfilled up to 31st March, 2017.
- 36) Advances include ₹ 27.76 Lacs (as at 31st March, 2016 ₹ 27.76 Lacs and as at 1st April, 2015 ₹ 27.76 Lacs) paid to the machinery supplier that are under dispute. The matter is pending in the Delhi High Court.
- 37) 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.
- 38) Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2017 for ₹ 3,531.48 Lacs (as at 31st March, 2016 ₹ 4,474.56 Lacs and as at 1st April, 2015 ₹ 5,723.35 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.



Notes to Financial Statements for the year ended 31st March, 2017

39) Earnings Per Share (EPS) (Ind AS-33)	(₹ In Lacs)	
	2016-17	2015-16
Profit/loss after Tax (₹ in Lacs)	7,013.48	4,234.04
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 (₹)	17.61	10.63

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

	(₹ In Lacs)							
	Textile		Sugar		Others		Total	
	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Segment Revenue								
Total Revenue	155,126.28	160,532.51	17,629.20	16,309.93	338.59	73.30	173,094.07	176,915.74
Less: Inter Segment Revenue							672.53	444.50
Net Revenue							172,421.54	176,471.24
Segment Results								
Profit/ (Loss) before exceptional items, interest and tax	10,943.98	12,541.55	3,933.84	894.05	(284.79)	(55.42)	14,593.03	13,380.18
Less : (l) interest							5,982.38	7,881.21
Profit before tax							8,610.65	5,498.97
Segment Assets	139,227.84	137,258.00	17,400.60	15,102.60	17,744.52	14,998.50	174,372.96	167,359.10
Segment Liabilities	52,365.87	52,600.03	9,535.36	7,832.20	1,861.97	1,637.39	63,763.20	62,069.62
Capital Employed								
Segment Assets- Segment Liabilities	86,861.97	84,657.97	7,865.24	7,270.40	15,882.55	13,361.11	110,609.76	105,289.48

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

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

1 Associates

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

2 Key Management Personnel

Sh. 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, 2017**

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 Fashion Limited Nahar Poly Films Limited Kovlam Investment & Trading Co. Ltd. Nagdevi Trading & Investment Co. Ltd. Sankheshwar Holding Co. Ltd. Vanaik Investors Ltd. Vinayak Spinning Mills Ltd. Crown Star Limited* Hug Foods Pvt. Ltd. Abhilash Growth Fund Pvt. Ltd Nahar Growth Fund Pvt. Ltd Neha Credit & Investment Ltd. Nahar Finicial & Investment Ltd. Retailerkart E-Venture Pvt Ltd.* Simran & Shanaya Co. Ltd.* Sidhanth & Mannat Co. Ltd.* Palam Motels Ltd.* Monika Growth Fund Pvt. Ltd.* Ruchika Growth Fund Pvt. Ltd.* Girnar Investment Ltd.* Oswal Leasing Limited* Bermuda Insurance Brokers Pvt. Ltd.* Vigil Investment Pvt. Ltd.* Cabot Trading & Inv. Co. Pvt. Ltd.* Marble E-Retail Pvt. Ltd.* Survat Trading Co. Ltd.* Amloh Industries Limited* Oswal Foundation*
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* No transaction has taken place during the year

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


Notes to Financial Statements for the year ended 31st March, 2017

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	
	31 st March, 2017	31 st March, 2016			31 st March, 2017	31 st March, 2016
Purchase of goods	18.09	24.76	--	7,698.18	4,447.98	--
Sales of Goods	1,398.16	1,034.64	--	16,752.89	24,118.86	--
Purchase of fixed assets	0.01	--	--	8.61	8.86	--
Sale of fixed assets	--	--	--	8.16	400.42	--
Sale of FMP/FMS license	--	--	--	--	88.73	--
Processing charges received	--	--	--	166.34	258.89	--
Processing charges Paid	295.22	--	--	--	4.11	--
Interest paid	553.06	502.11	--	--	--	--
Rent received	15.18	15.08	15.00	80.09	76.27	--
Rent paid	23.38	21.26	--	--	--	--
Dividend received	--	--	--	62.13	44.02	--
Dividend paid	73.91	--	0.01	199.19	--	--
Purchase of Investment	--	--	--	--	5.00	--
Sale of Investment	--	--	--	0.70	2.90	1.40
Director Meeting Fee	--	--	--	--	--	1.04
Remuneration	--	--	--	--	--	34.39
Loan received (Net)	77.93	--	--	--	--	--
Loan Paid (Net)	--	143.98	--	--	--	--
Corporate Social Responsibility Expenses	--	--	--	--	17.53	--
Balance Payable (net)	(4,983.05)	(4,646.69)	--	--	--	--



Notes to Financial Statements for the year ended 31st March, 2017

Remuneration of KMP

PARTICULARS	As At 31st March, 2017 (₹ In Lacs)	As At 31st March, 2016 (₹ In Lacs)
(i) Short Term Benefits	437.32*	60.20
(ii) Post Employment Benefits	25.78	24.48
Total	463.10	84.68

* Included Remuneration paid to Vice Chairman-cum-Managing Director of ₹ 401.74 Lacs as on 31st March, 2017 and ₹ 26.88 Lacs as on 31st March, 2016

42) Expenditure in Foreign Currency

PARTICULARS	31st March, 2017 (₹ In Lacs)	31st March, 2016 (₹ In Lacs)
a) Value of Import on CIF basis		
(i) Raw Material	1,126.15	3,527.45
(ii) Capital Goods & Stores	5,372.86	2,421.96
b) Expenditure in Foreign Currency		
(i) Travelling	41.05	44.30
(ii) Commission	181.12	317.69
(iii) Others	79.51	79.10

43) Earning in Foreign Currency

PARTICULARS	31st March, 2017 (₹ In Lacs)	31st March, 2016 (₹ In Lacs)
Earnings in Foreign Exchange		
i) F.O.B. Value of Exports	15,324.09	20,853.64

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

PARTICULARS	31st March, 2017		31st March, 2016	
	(₹ In Lacs)	%age	(₹ In Lacs)	%age
i) Raw Material				
Imported	1,182.89	1.23	3,976.83	4.43
Indigenous	95,035.40	98.77	85,791.73	95.57
ii) Consumables, Stores, Spares Parts & Components				
Imported	1,489.45	10.71	1,386.33	9.50
Indigenous	12,411.56	89.29	13,200.79	90.50

**Notes to Financial Statements for the year ended 31st March, 2017**

45) Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments – Company as lessee

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

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

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

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

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

Impairment of non-financial assets

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



Notes to Financial Statements for the year ended 31st March, 2017

46) Post Retirement Benefits Plan (Ind AS 19)

Defined Benefit Plan

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

PARTICULARS	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	2,540.37	2,253.34
Interest cost	188.06	167.42
Current service cost	370.88	340.75
Actuarial loss/(gain) - Experience Changes	(76.66)	(22.39)
Actuarial loss / (Gains) Financial Assumption	157.41	15.09
Benefits paid	(196.16)	(213.84)
Present value obligation as at the end of the year	<u>2,983.90</u>	<u>2,540.37</u>
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,060.71	1,682.33
Interest income on plan assets	162.29	139.54
Employer Contributions	290.18	427.22
Return on plan assets greater/(lesser) than discount Rates	24.88	25.46
Benefits paid	(196.16)	(213.84)
Fair value of plan assets as at the end of the year	<u>2,341.90</u>	<u>2,060.71</u>
Breakup of Actuarial gain/loss:		
Actuarial (gain)/loss on arising from change in financial assumption	157.41	15.09
Actuarial (gain)/loss on arising from experience adjustment	(76.66)	(22.39)
Return on plan assets (greater)/less than discount rate	(24.88)	--
	<u>55.87</u>	<u>(7.30)</u>
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	2,983.90	2,540.37
Fair value of plan assets as at the end of the year	2,341.90	2,060.71
Net Asset/(Liability) in Balance Sheet	<u>(642.00)</u>	<u>(479.66)</u>



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Amount recognized in the statement of profit and loss		
Current service cost	370.88	340.75
Interest cost	188.06	167.42
Interest Income on plan assets	(162.29)	(139.54)
(Income)/Expense recognised in the statement of profit and loss	396.65	368.63
Remeasurements recognised in the statement of Other Comprehensive Income (OCI)		
Experience Adjustments	(76.66)	(22.39)
Changes in Financial Assumptions	157.41	15.09
Return on plan assets (greater)/lesser than discount Rates	(24.88)	--
Net Loss /(Gain) recognised in other comprehensive income	55.87	(7.30)
Plan assets information		
Insurer Manage Funds	100 %	100 %
Actuarial assumptions		
Discount rate	6.80%	7.70%
Salary Escalation Rate	10.00%	10.00%
Employee turnover Rate	12.00%	12.00%
Mortality Rate	Indian Assured Lives Mortality (2006)-08 Ult. Modified	Indian Assured Lives Mortality (2006)-08 Ult. Modified
<p>These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.</p>		
Sensitivity analysis for gratuity liability		
The sensitivity of the overall plan obligations to changes in the weighted key assumptions are :		
Impact of the change in discount rate		
a) Impact due to increase of 0.50%	(89.55)	(73.69)
b) Impact due to decrease of 0.50%	95.22	78.29
Impact of change in salary Escalation Rate		
a) Impact due to increase of 0.50%	84.29	70.35
b) Impact due to decrease of 0.50%	(81.10)	(67.77)
Impact of change in Employee turnover Rate		
a) Impact due to increase of 0.50%	(144.90)	(99.36)
b) Impact due to decrease of 0.50%	234.96	151.15

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



Notes to Financial Statements for the year ended 31st March, 2017

Expected Future cash flow

The expected future cash flow in respect of gratuity as at 31st March, 2017 were as follows

Expected contribution

The expected future employer contributions for defined benefit plan as at 31st March, 2017 (for the year ended 31st March, 2018 i.e. ₹ 60.98 Lacs)

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

Gratuity 6 Years 6 Years

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

PARTICULARS	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Description		
March 31, 2017	-	452.21
March 31, 2018	503.83	300.83
March 31, 2019	335.14	326.65
March 31, 2020	393.59	378.52
March 31, 2021	415.37	431.46
March 31, 2022	453.44	--
March 31, 2022 to March 31, 2026	--	2,538.56
March 31, 2023 to March 31, 2027	2,614.72	--

47) Fair value measurement

(a) Financial instruments by category and hierarchy

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

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets									
Equity instruments	--	5,345.71	--	--	3,712.86	--	--	3,535.24	--
Preference Share	--	--	103.96	--	--	93.65	--	--	84.37
Loans	--	--	1,042.08	--	--	1,159.38	--	--	1,112.64
Trade receivables	--	--	20,937.45	--	--	18,397.70	--	--	17,418.18
Cash and cash equivalents	--	--	167.75	--	--	241.74	--	--	220.72
Other Bank Balance	--	--	109.59	--	--	101.78	--	--	123.68
Loans	--	--	73.25	--	--	83.87	--	--	95.82
Other financial assets	--	--	00.15	--	--	00.13	--	--	00.13
Total	--	5,345.71	22,434.23	--	3,712.86	20,078.25	--	3,535.24	19,055.54



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial liabilities									
Borrowings	--	--	33,143.56	--	--	34,912.14	--	--	42,003.12
Security deposit	--	--	343.82	--	--	314.07	--	--	291.58
Other Liabilities	--	--	209.99	--	--	209.99	--	--	209.99
Current Borrowings	--	--	46,942.99	--	--	49,925.00	--	--	40,886.20
Trade payable	--	--	9,337.30	--	--	5,029.09	--	--	10,470.46
Unpaid dividend	--	--	105.84	--	--	98.07	--	--	120.14
Due to Employees	--	--	2,287.39	--	--	2,128.43	--	--	1,971.41
Derivative Liability	33.72	--	--	53.68	--	--	6.42	--	--
Current Maturities	--	--	7,949.61	--	--	9,371.32	--	--	14,283.76
Total	33.72	--	100,320.50	53.68	--	101,988.11	6.42	--	110,236.66

(b) Fair value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Equity instruments	5,341.68	--	4.03	3,353.31	--	359.55	3,175.69	--	359.55
Total financial assets	5,341.68	--	4.03	3,353.31	--	359.55	3,175.69	--	359.55
Financial liabilities									
Derivative Liability	33.72	--	--	53.68	--	--	6.42	--	--
Total	33.72	--	--	53.68	--	--	6.42	--	--

Financial assets and liabilities measured at amortised cost for which fair values are disclosed

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Preference Share	--	--	103.96	--	--	93.65	--	--	84.37
Loans	--	--	1,042.08	--	--	1,159.38	--	--	1,112.64
Trade receivables	--	--	20,937.45	--	--	18,397.70	--	--	17,418.18
Cash and cash equivalents	--	--	167.75	--	--	241.74	--	--	220.72
Other Bank Balance	--	--	109.59	--	--	101.78	--	--	123.68
Loans	--	--	73.25	--	--	83.87	--	--	95.82
Other Financial assets	--	--	00.15	--	--	00.13	--	--	00.13
Total Financial assets	--	--	22,434.23	--	--	20,078.25	--	--	19,055.54



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities									
Borrowings	--	--	33,143.56	--	--	34,912.14	--	--	42,003.12
Security deposit	--	--	343.82	--	--	314.07	--	--	291.58
Other Liabilities	--	--	209.99	--	--	209.99	--	--	209.99
Current Borrowings	--	--	46,942.99	--	--	49,925.00	--	--	40,886.20
Trade payable	--	--	9,337.30	--	--	5,029.09	--	--	10,470.46
Unpaid dividend	--	--	105.84	--	--	98.07	--	--	120.14
Due to Employees	--	--	2,287.39	--	--	2,128.43	--	--	1,971.41
Current Maturities	--	--	7,949.61	--	--	9,371.32	--	--	14,283.76
Total	--	--	100,320.50	--	--	101,988.11	--	--	110,236.66

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

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

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

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

PARTICULARS	As At 31st March 2017 (₹ In Lacs)		As At 31st March 2016 (₹ In Lacs)		As At 1st April 2015 (₹ In Lacs)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Preference Share	103.96	103.96	93.65	93.65	84.37	84.37
Loans	1,042.08	1,042.08	1,159.38	1,159.38	1,112.64	1,112.64
Total financial assets	1,146.04	1,146.04	1,253.03	1,253.03	1,197.01	1,197.01
Financial liabilities						
Borrowings	33,143.56	33,143.56	34,912.14	34,912.14	42,003.12	42,003.12
Other Financial Liabilities						
Security deposit	343.82	343.82	314.07	314.07	291.58	291.58
Total financial liabilities	33,487.38	33,487.38	35,226.21	35,226.21	42,294.70	42,294.70



Notes to Financial Statements for the year ended 31st March, 2017

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

48) Financial risk management objectives and policies

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

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

(A) Market risk

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

a) Interest rate risk

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

PARTICULARS	As At	As At	As At
	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)	1st April 2015 (₹ In Lacs)
Variable rate borrowings	82,003.11	88,806.39	92,119.10
Fixed rate borrowings	6,033.06	5,402.07	5,053.98
	<u>88,036.17</u>	<u>94,208.46</u>	<u>97,173.08</u>

Interest rate sensitivity

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



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	Effect on Profit Before Tax	
	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Increase by 50 basis points	(410.02)	(444.03)
Decrease by 50 basis points	410.02	444.03

b) Foreign currency risks

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

**i) Particulars of unhedged foreign currency exposure as at reporting date
Spot Rate**

PARTICULARS	As At	As At	As At	As At	As At	As At
	31st March 2017	31st March 2016	1st April 2015	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)	1st April 2015 (₹ In Lacs)
Trade creditors						
-USD	65.60	66.58	62.97	10.75	104.39	116.93
-EUR	70.36	75.86	68.15	13.35	2.06	4.59
-GBP	82.33	95.95	93.31	--	4.39	--
-JPY-100	00.59	00.60	00.53	0.08	--	--
-CHF	65.76	69.58	65.36	1.73	--	4.04

Foreign currency sensitivity

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

PARTICULARS	Effect on Profit Before Tax	
	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
USD Sensitivity		
Decrease by 5%	00.54	5.22
Increase by 5%	(00.54)	(5.22)
EUR Sensitivity		
Decrease by 5%	00.67	00.10
Increase by 5%	(00.67)	(00.10)
GBP Sensitivity		
Decrease by 5%	--	00.22
Increase by 5%	--	(00.22)
JPY Sensitivity		
Decrease by 5%	--	--
Increase by 5%	--	--
CHF Sensitivity		
Decrease by 5%	00.09	--
Increase by 5%	(00.09)	--



Notes to Financial Statements for the year ended 31st March, 2017

ii) Foreign currency Exposure (Forward Booking)

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

Category wise Quantitative Date type Contract	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
Forward Contracts Against Export (US \$)	613.00	2,815.00	2,698.00
Forward Contracts Against Import (US \$)	1,021.00	--	--

(B)Credit risk

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

Credit risk management

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

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

Financial assets that expose the entity to credit risk: –

Particulars	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
Low credit risk on reporting date			
Cash and cash equivalents	167.75	241.74	220.72
Other bank balances	109.59	101.78	123.68
Trade receivables	20,937.45	18,397.70	17,418.18
Investments	13,654.39	12,011.24	11,824.33
Loans(non-current)	1,042.08	1,159.37	1,112.64
Loans(current)	73.25	83.87	95.82
Other financial asset	00.15	00.13	00.13
	<u>35,984.66</u>	<u>31,995.83</u>	<u>30,795.50</u>
Moderate credit risk	--	--	--
High credit risk	--	--	--

Cash & cash equivalents and bank deposits

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

Trade receivables

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



Notes to Financial Statements for the year ended 31st March, 2017

Gross carrying amount of trade receivables

PARTICULARS	Effect on Profit Before Tax		
	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)	1st April 2015 (₹ In Lacs)
Ageing			
Not due	19,788.69	17,231.56	16,051.21
0-60 days past due	559.85	626.96	873.99
61-120 days past due	228.53	246.94	348.26
121-180 days past due	153.21	136.87	38.15
180-365 days past due	93.32	74.93	34.38
more than 365 days past due	113.85	80.44	72.18

Other financial assets measured at amortized cost

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

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

PARTICULARS	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
Floating rate			
(a) Expiring within one year (Bank overdraft and other facilities)			
Secured			
-Cash credit facilities	16,057.01	13,075.36	17,201.80
(b) Expiring beyond one year (Bank loans)			
Secured			
-Undrawn Rupees term loan from banks	4,553.40	--	8,608.82

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

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



Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31 March 2016					
Contractual maturities of borrowings	59,348.64	7,729.50	20,605.05	1,216.19	88,899.38
Loans and advances from related parties (Unsecured)	--	--	5,402.07	--	5,402.07
Contractual maturities of trade payables	5,029.09	--	--	--	5,029.09
Contractual maturities of security deposit received	--	50.65	400.00	--	450.65
Contractual maturities of other financial liabilities	2,128.43	209.99	--	--	2,338.42
Unpaid Dividend	98.07	--	--	--	98.07
TOTAL	66,604.23	7,990.14	26,407.12	1,216.19	102,217.68
Year ended 01 April 2015					
Contractual maturities of borrowings	55,217.67	9,501.12	23,116.54	4,415.55	92,250.88
Loans and advances from related parties (Unsecured)	--	--	5,053.98	--	5,053.98
Contractual maturities of trade payables	10,470.46	--	--	--	10,470.46
Contractual maturities of security deposit received	--	54.26	400.00	--	454.26
Contractual maturities of other financial liabilities	1,971.41	209.99	--	--	2,181.40
Unpaid Dividend	120.14	--	--	--	120.14
TOTAL	67,779.68	9,765.37	28,570.52	4,415.55	110,531.12

49) Dividends Distribution made and proposed

PARTICULARS	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31st March 2016: ₹ 1 per share (31st March, 2015: ₹ Nil per share)	398.35	--
Dividends Distribution tax on final dividend	81.09	--
	479.44	--
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31st March, 2017: ₹ 1 per share (31st March, 2016 : ₹ 1 per share)	--	398.35
Dividends Distribution tax on proposed dividend	--	81.09
	--	479.44

Under previous GAAP -Proposed dividend and related dividend distribution tax was recognised as a provision in year to which they relate, irrespective of when they are declared, under Ind AS Dividend and relative dividend distribution tax are recognised as a liability in the year in which it is approved by shareholder in the Annual General Meeting of the the company.

50) Capital Management

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

PARTICULARS	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
Borrowings	88,036.16	94,208.46	97,173.08
Trade payables	9,337.30	5,029.09	10,470.46
Less: Cash and cash equivalents	277.34	343.52	344.40
Net debt	97,096.12	98,894.03	107,299.14
Equity	68,920.84	60,509.18	56,107.75
Capital and net debt	166,016.96	159,403.21	163,406.89
Gearing ratio	58.49	62.04	65.66



Notes to Financial Statements for the year ended 31st March, 2017

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2017 and 31st March, 2016.

51) Details of Specified Bank Notes (SBN) held and transacted:-

The details of Specified Bank Notes (SBN) held and transacted during the period from 9th November, 2016 to 30th December, 2016 as provided in the Table below -

(₹ In Lacs)

PARTICULARS	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	102.07	22.33	124.40
Permitted receipts	--	71.40	71.40
Permitted payments	--	(69.72)	(69.72)
Amount deposited in Banks	(102.07)	--	(102.07)
Closing cash in hand as on 30.12.2016	--	24.01	24.01

52) Corporate Social Responsibility

In accordance with the provisions of section 135 of the Companies Act 2013, the company is covered by the provision of said section:

The details of amount actually spent by the company are as follows:

PARTICULARS	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)
(a) Amount required to be spent	54.89	17.53
(b) Amount spent	--	17.53

The company for its CSR obligation has joined hands with other group companies and agreed to do CSR obligation through a SPV, a recognized Charitable Organization M/s. Oswal Foundation. They are in the process of finalizing Eye Care and Health Care Centre and for which the organization is finalizing the project. The Company would contribute immediately the money of their CSR obligation for that purpose to the said foundation as and when they are ready to go with the project. During the year out of its profit the company has set apart committed CSR liability amounting to ₹ 54.89 Lacs equivalent to its CSR obligation.

53) First time adoption as per Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

These financial statements, for the year ended 31st March, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2017 together with the comparative period data as at and for the year ended 31st March, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2015, the Company's date of transition to Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Notes to Financial Statements for the year ended 31st March, 2017**

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS Optional exemptions availed.**(a) Deemed Cost**

Under Ind AS paragraph D7 AA of Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and for Investment properties covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its properties, plant and equipment, Investment property and intangible assets at their previous GAAP carrying values.

(b) Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Paragraph D19B of Ind AS 101 allows such designation of previously recognized financial assets as 'fair value through comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its equity investment as at FVOCI on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

(c) Investments in associates

Under Ind AS, Paragraph D14 and D15 of Ind AS 101 permits a first time adopter to elect to continue with the carrying value of its investments in associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP

B. Ind AS Mandatory exceptions**a) Estimates**

An entity's Estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2015 and 31st March, 2016 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Investment in equity instruments carried at FVOCI

b) Classification and measurement of financial assets.

As required under Ind AS-101 the company has assessed the classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transaction to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- 1) Reconciliation of Balance sheet as at 1st April, 2015 (Transition Date)
- 2) (a) Reconciliation of Balance sheet as at 31st March, 2016
(b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016
- 3) Reconciliation of Equity as at 1st April, 2015 and as at 31st March, 2016
- 4) Reconciliation of Net Profit as reported Previously referred to as "Previous GAAP" and total comprehensive Income as per Ind AS

The presentation requirement under previous GAAP differ from Ind AS and hence, previous GAAP information has re-grouped for case of reconciliation with Ind AS. The re-grouped previous GAAP information is derived from the financial statement of the company prepared in accordance with previous GAAP.



Notes to Financial Statements for the year ended 31st March, 2017

1. Reconciliation of Balance Sheet as at 1st April 2015

PARTICULARS	Notes	GAAP (₹ In Lacs)	Ind AS Adjustments (₹ In Lacs)	Ind AS (₹ In Lacs)
Non-current assets				
a)Property, Plant and Equipment	(xiii), (xiv)	61,302.08	(1,434.69)	59,867.39
b)Capital work in progress		3,987.02	--	3,987.02
c)Investment Property	(xiv)	--	1,220.37	1,220.37
d)Other Intangible assets		171.25	--	171.25
e)Financial Assets				
i) Investments	(ii),(ix)	13,834.41	(2,010.08)	11,824.33
ii) Loans	(iv)	1,127.27	(14.63)	1,112.64
f)Other non current assets	(iv),(ix),(xiii)	12.85	229.13	241.98
Total Non-Current Assets		<u>80,434.88</u>	<u>(2,009.90)</u>	<u>78,424.98</u>
Current assets				
a)Inventories		63,967.78	--	63,967.78
b)Financial Assets				
i)Trade receivable		17,418.18	--	17,418.18
ii)Cash and cash equivalents		220.72	--	220.72
iii)Other bank balances		123.68	--	123.68
iv)Loans		95.82	--	95.82
iv) Other Financial assets		00.13	--	00.13
c) Government Grant Receivables		2,198.86	--	2,198.86
d) Current tax assets (Net)		681.39	--	681.39
e) Other current assets	(iv),(ix),(xiii),(xvi)	9,680.08	(250.53)	9,429.55
Total Current Assets		<u>94,386.64</u>	<u>(250.53)</u>	<u>94,136.11</u>
TOTAL ASSETS		<u>174,821.52</u>	<u>(2,260.43)</u>	<u>172,561.09</u>
Equity and Liabilities				
Equity				
a)Equity Share Capital		4,003.42	--	4,003.42
b)Other Equity	(xii)	53,942.06	(1,837.73)	52,104.33
Total Equity		<u>57,945.48</u>	<u>(1,837.73)</u>	<u>56,107.75</u>
Liabilities				
Non-current liabilities				
a)Financial Liabilities				
i)Borrowings	(v)	42,087.19	(84.07)	42,003.12
ii)Other Financial Liabilities	(x)	664.25	(162.68)	501.57
b) Provisions		571.01	--	571.01
c) Deferred tax liabilities (net)	(xvi),(vii)	2,181.01	(253.67)	1,927.34
d) Other non current liabilities	(x)	--	95.22	95.22
Total Non-current liabilities		<u>45,503.46</u>	<u>(405.20)</u>	<u>45,098.26</u>
Current liabilities				
a)Financial Liabilities				
i) Current Borrowings	(vi)	40,933.91	(47.71)	40,886.20
ii)Trade payables		10,470.46	--	10,470.46
iii)Other Financial Liabilities	(viii)	16,375.31	6.42	16,381.73
b)Other current liabilities	(x)	2,859.45	23.79	2,883.24
c)Provisions	(i)	733.45	--	733.45
Total Current Liabilities		<u>71,372.58</u>	<u>(17.50)</u>	<u>71,355.08</u>
TOTAL EQUITY AND LIABILITIES		<u>174,821.52</u>	<u>(2,260.43)</u>	<u>172,561.09</u>



Notes to Financial Statements for the year ended 31st March, 2017

2. (a) Reconciliation of Balance Sheet as at 31st March, 2016

PARTICULARS	Notes	GAAP (₹ In Lacs)	Ind AS Adjustments (₹ In Lacs)	Ind AS (₹ In Lacs)
Non-current assets				
a)Property, Plant and Equipment	(xiii),(xiv)	55,574.15	(1,491.53)	54,082.62
b)Capital work in progress		1,831.38	--	1,831.38
c)Investment Property	(xiv)	--	1,275.94	1,275.94
d)Other Intangible assets		116.88	--	116.88
e)Financial Assets				
i) Investments	(ii),(ix)	13,834.41	(1,823.17)	12,011.24
ii) Loans	(iv)	1,174.18	(14.80)	1,159.38
f)Other non current assets	(iv),(ix),(xiii)	12.85	208.48	221.33
Total Non-Current Assets		72,543.85	(1,845.08)	70,698.77
Current assets				
a)Inventories		65,635.76	--	65,635.76
b)Financial Assets				
i)Trade receivable		18,397.70	--	18,397.70
ii)Cash and cash equivalents		241.74	--	241.74
iii)Other bank balances		101.78	--	101.78
iv)Loans		83.87	--	83.87
iv) Other Financial assets		00.13	--	00.13
c)Government Grant Receivables		2,750.74	--	2,750.74
d)Other current assets	(iv),(ix),(xiii),(xvi)	10,369.24	(920.63)	9,448.61
Total Current Assets		97,580.96	(920.63)	96,660.33
TOTAL ASSETS		170,124.81	(2,765.71)	167,359.10
Equity and Liabilities				
Equity				
a)Equity Share Capital		4,003.42	--	4,003.42
b)Other Equity	(xii)	57,752.18	(1,246.42)	56,505.76
Total Equity		61,755.60	(1,246.42)	60,509.18
Liabilities				
Non-current liabilities				
a)Financial Liabilities				
i)Borrowings	(v)	34,952.81	(40.67)	34,912.14
ii)Other Financial Liabilities	(x)	660.64	(136.58)	524.06
b) Provisions		479.66	--	479.66
c) Deferred tax liabilities (net)	(xvi),(vii)	1,456.01	(959.17)	496.84
d) Other non current liabilities	(x)	--	71.43	71.43
Total Non-current liabilities		37,549.12	(1,064.99)	36,484.13
Current liabilities				
a)Financial Liabilities				
i) Current Borrowings	(vi)	49,977.32	(52.32)	49,925.00
ii)Trade Payables		5,029.09	--	5,029.09
iii)Other Financial Liabilities	(viii)	11,597.83	53.67	11,651.50
b) Other current liabilities	(x)	2,093.83	23.79	2,117.62
c) Provisions	(i)	1,379.04	(479.44)	899.60
d) Current Tax Liabilities (Net)		742.98	--	742.98
Total Current Liabilities		70,820.09	(454.30)	70,365.79
TOTAL EQUITY AND LIABILITIES		170,124.81	(2,765.71)	167,359.10



Notes to Financial Statements for the year ended 31st March, 2017

2 (b) Reconciliation of total Comprehensive income for the year ended 31 March 2016

PARTICULARS	Notes	GAAP (₹ In Lacs)	Indian AS Adjustments (₹ In Lacs)	Ind AS (₹ In Lacs)
INCOME				
Revenue from Operations	(xv)	178,264.28	(569.66)	177,694.62
Other Income	(iv),(ix),(x)	452.66	34.42	487.08
Total Revenue		<u>178,716.94</u>	<u>(535.24)</u>	<u>178,181.70</u>
EXPENSES				
Cost of materials consumed		89,768.56	--	89,768.56
Purchases of stock-in-trade		1,006.94	--	1,006.94
Change in inventories of finished goods, stock in trade and work -in-progress		4,199.71	--	4,199.71
Excise duty expense		693.78	--	693.78
Employee benefit expense	(iii)	16,967.42	00.89	16,968.31
Finance costs	(iii),(v),(vi),(viii), (x)	7,762.65	118.56	7,881.21
Depreciation and amortisation expense		8,997.09	1.25	8,998.34
Other expnses	(iv),(ix),(xiii), (xv)	43,713.70	(547.82)	43,165.88
Total expenses		<u>173,109.85</u>	<u>(427.12)</u>	<u>172,682.73</u>
Profit/(loss) before tax		5,607.09	(108.12)	5,498.97
Tax expense				
(1) Current tax		2,025.00	--	2,025.00
(2) Deferred tax	(vii)	(725.00)	(35.07)	(760.07)
Profit/(loss) for the period		4,307.09	(73.05)	4,234.04
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
(i) Re-measurement gains (losses) on defined benefit (iii) plans		--	7.30	7.30
Items that will be reclassified to profit or loss				
(i) Net gain on FVOCI equity securities	(ii)	--	177.62	177.62
Total other comprehensive income		--	184.92	184.92
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		4,307.09	111.87	4,418.96



Notes to Financial Statements for the year ended 31st March, 2017

3. Reconciliation of Total Equity as at 1st April, 2015 and as at 31st March, 2016

PARTICULARS	Notes	31st March 2016 (₹ In Lacs)	1st April 2015 (₹ In Lacs)
Shareholder's equity as per previous GAAP		61,755.60	57,945.48
Ind AS adjustments			
(i) impact of fair valuation of equity instrument at FVOCI	(ii)	(1,601.13)	(1,778.75)
(ii) Fair valuation of financial assets and financial liabilities at amortised cost	(iv),(v),(ix),(x),(xiii)	(116.37)	(54.99)
(iii) Restatement of Proposed dividend and Dividend tax	(i)	479.45	--
(iv) MTM gain/(loss) on forward contracts	(viii)	(53.68)	(6.42)
(v) Others	(v),(vi),(xiii)	28.90	21.09
(vi) Deferred tax on above Ind AS adjustments	(vii)	16.41	(18.66)
Total Ind AS adjustments		<u>(1,246.42)</u>	<u>(1,837.73)</u>
Total Equity as per Ind AS		<u>60,509.18</u>	<u>56,107.75</u>

4. Reconciliation of Net Profit as reported Previously referred to as "Previous GAAP" and total comprehensive Income as per Ind AS

PARTICULARS	Note	31st March 2016 (₹ In Lacs)
Profit after tax as reported under Previous GAAP		4,307.09
(i) Measurement of financial assets and financial liabilities at amortised cost	(iv),(v),(ix),(x),(xiii)	(61.38)
(ii) Adjustment for recording actuarial (gains)/losses in OCI	(iii)	(7.30)
(iii) Impact of measuring derivative financial instrument at fair value	(viii)	(47.25)
(iv) Others	(v), (vi), (xiii)	7.81
(v) Deferred tax on above Ind AS adjustments	(vii)	35.07
Total adjustments		(73.05)
Total profit after tax as per Ind AS		4,234.04
Other comprehensive income (net of tax)	(ii), (iii)	184.92
Total Comprehensive income for the year as per Ind AS		4,418.96

**Notes to Financial Statements for the year ended 31st March, 2017**

The following explains the material adjustments made while transition from previous accounting standards to Ind AS

(i) Proposed Dividend and tax thereon

Under the previous GAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of the financial statements were considered to be an adjusting event and accordingly recognised (alongwith related dividend distribution tax) as liabilities at the reporting date.

Under Ind AS dividends so proposed by the Board are considered to be non adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised of ₹ 479.44 Lacs as at 31st March, 2016 (₹ Nil as at 1st April, 2015) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

(ii) Fair valuation of Investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments.

Under Ind AS all investments (other than investments in associates) to be measured at fair value at the reporting date and all changes in the fair value have been recognised in retained earnings as at the date of transition and subsequent to the transition date to be recognised in the Other Comprehensive Income. The fair value changes of these investments resulting in decrease in investments by ₹ 1601.13 lacs as at 31st March, 2016 (₹ 1,778.75 lacs As at 1st April, 2015) and correspondingly there is increase in other comprehensive income by ₹ 177.62 lacs as at 31st March, 2016 and also decrease in retained earning by ₹ 1,778.75 lacs As at 1st April, 2015.

(iii) Remeasurements of post employment benefit obligation

Under the previous GAAP, these re-measurement were forming part of the profit or loss for the year. Under Ind AS, re-measurement i.e. actuarial gain/loss on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. As a result of this change, the Comprehensive income increased by ₹ 7.30 lacs corresponding increase in the employment cost of ₹ 7.30 lacs for the year ended on 31st March, 2016. There is no impact on retained earning as at 1st April, 2015.

Under Previous GAAP, the interest cost on defined benefit liability and expected return on plan assets was recognised as employee benefit expenses in the Statement of Profit and Loss.

Under Ind AS, the Company has recognised the net interest cost of ₹ 6.41 lacs on defined benefit plan as finance cost corresponding decrease in the employment cost of ₹ 6.41 lacs for the year ended on 31st March, 2016

(iv) Security deposits Paid

Under Previous GAAP, the security deposits are accounted at an undiscounted value. Under Ind AS, these are carried at amortized cost. The security deposits have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Prepaid expense' which has been amortised over respective term as notional expense under 'other expenses'. The discounted value of the security deposits is increased over the period of respective term by recognising the notional interest income under 'other income'. The effect of this change is decrease in non-current loans under financial assets by ₹ 14.80 lacs as at 31st March, 2016 (₹ 14.63 lacs as at 1st April, 2015) and increase in other non current assets by ₹ 11.08 lacs as at 31st March, 2016 (₹ 11.65 lacs as at 1st April, 2015) and increase

**Notes to Financial Statements for the year ended 31st March, 2017**

in other current assets by ₹ 2.05 lacs as at 31st March, 2016 (₹ 1.73 lacs as at 1st April, 2015). There had been increase in Other income by ₹ 1.35 lacs and other expenses by ₹ 1.76 lacs for the year ended 31st March, 2016 and decrease in retained earnings by ₹ 1.26 lacs as at 1st April, 2015.

(v) Non Current-Borrowings

Under the previous GAAP, transaction costs were charged to the profit and loss as and when incurred. As required under the Ind AS 109 transactions costs incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method corresponding effect being in Long term borrowings. Consequently, borrowings as at 31st March, 2016 have been reduced by ₹40.67 lacs (1st April, 2015- ₹ 84.07 lacs) with a corresponding adjustment to retained earnings resulting in increase in retained earning. The profit under the previous GAAP for the year ended 31st March, 2016 has been reduced by ₹ 43.40 lacs due to increase in finance cost.

(vi) Current Borrowings

Under previous GAAP, renewal/annual charges on cash credit or overdraft facilities need to be straight lined over the period of the facility. In the current practice it was charged to Profit or loss as and when charged by bank not on quarterly basis. Company has adopted the practice to amortise these facility charges over the period of facility in Ind AS and charging to Profit or loss on straight lined basis over the period of the facility. Resulting by recognising in their quarterly results as well. The effect of this change is decrease in short term borrowings ₹ 52.32 lacs as at 31st March, 2016. (₹ 47.71 lacs as at 1st April, 2015) and there is decrease in finance cost of ₹ 4.61 lacs as at 31st March, 2016. Resulting there is increase in Retained earning by ₹ 47.71 lacs as at 1st April, 2015.

(vii) Deferred taxes

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax assets/liabilities (net) is of increase in deferred tax liability ₹ 18.66 lacs as at 1st April, 2015 and creation in deferred tax asset of ₹ 16.41 lacs as at 31st March, 2016 and there had been increase in deferred tax income of ₹ 35.07 lacs as at March 31, 2016.

(viii) Fair Valuation of Forward Contracts

Under GAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date is provided for. Under Ind AS 109 Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the statement of Profit and Loss. Accordingly, the same has been fair valued resulting in creation of other financial liability by ₹ 53.67 lacs as at 31st March, 2016 (₹ 6.42 lacs as at 1st April, 2015). fair value loss (net) charged in statement of profit or loss under "finance cost" by ₹ 47.26 lacs as at 31st March, 2016 and there is decrease in retained earning by ₹ 6.42 lacs as at 1st April, 2015.

**Notes to Financial Statements for the year ended 31st March, 2017****(ix) Zero Coupon Redeemable preference shares**

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments.

Under Ind AS, investments in preference shares are measured at amortised cost and have been recognised at discounted values. The difference between undiscounted and discounted value has been recognised as "Deferred Power purchase cost" which has been amortised over respective term as power purchase cost under 'Power and fuel Expenses'. The discounted carrying value of the preference shares is increased over the term by recognising the notional income under 'other income'. The effect of this change is decrease in Investments(non current) by ₹ 222.04 lacs as at 31st March, 2016 (₹ 231.33 lacs as at 1st April, 2015) and increase in other non current assets by ₹ 147.34 lacs as at 31st March, 2016 (₹ 161.17 lacs as at 1st April, 2015) and increase in other current assets by ₹ 13.82 lacs as at 31st March, 2016 (₹ 13.82 lacs as at 1st April, 2015). There had been increase in other income by ₹ 9.28 lacs and other expenses by ₹ 13.82 lacs for the year ended 31st March, 2016 and decrease in retained earnings by ₹ 56.34 lacs as at 1st April, 2015.

(x) Security deposits Received

Under Previous GAAP, the security deposits are accounted at transaction value. Under Ind AS, these are carried at amortized cost. The security deposits have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred Income' which has been amortised over respective term as notional interest income under 'other income'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest expense under 'Finance cost'. The effect of this change is decrease in other financial liabilities by ₹ 136.58 lacs as at 31st March, 2016 (₹ 162.68 lacs as at 1st April, 2015) and increase in other non current liabilities by ₹ 71.43 lacs as at 31st March, 2016 (₹ 95.22 lacs as at 1st April, 2015) and increase in other current liabilities by ₹ 23.78 lacs as at 31st March, 2016 (₹ 23.78 lacs as at 1st April, 2015). There had been increase in other income by ₹ 23.78 lacs and finance cost by ₹ 26.10 lacs for the year ended 31st March, 2016 and increase in retained earnings by ₹ 43.67 lacs as at 1st April, 2015.

(xi) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in the Statement of profit and loss as "other comprehensive income" includes fair value gain / loss on FVOCI equity instruments and re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

(xii) Retained earnings

Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

(xiii) Leases

(a) Under previous GAAP, Leasehold Land were classified as Fixed Assets as the standard on leases(AS-19) excluded Land. Under Ind AS 17, where the substantial risks and rewards incidental to ownership of an asset has not been transferred in the name of Company, the Company has classified such land under Operating Leases. The amount paid towards such leases has been shown as Prepayments under Other noncurrent assets and other current assets. Amortisation on lease hold land is charged as Rent Expense in statement of profit and loss. The effect of this change is decrease in lease hold land ₹ 187.71 lacs as at 31st March, 2016 (₹ 187.71 lacs as at 1st April, 2015) on

**Notes to Financial Statements for the year ended 31st March, 2017**

account of amortisation of leasehold land recognised in retained earning and there is increase in Other non current assets as "prepaid lease rentals" by ₹ 50.05 lacs as at March31 , 2016 (₹ 56.31 lacs as at April 1 , 2015). and increase in other current assets as "prepaid lease rentals" by ₹ 6.25 lacs as at March31, 2016 (₹ 6.25 lacs as at 1st April, 2015). also results increase in amortisation of lease hold as "rent expense" by ₹ 6.25 lacs as 31st March, 2016 and decrease in retained earning by ₹ 125.14 lacs as at 1stApril, 2015.

- (b) Under previous GAAP ,as per AS-19(Leases) where the substantial risks and rewards incidental to ownership of an asset has been transferred in the name of Company and Company has classified such land under finance leases and amortised over a tenure of lease straight line basis. In current practice no amortisation of leases are recognised. Company has adopted the practice to amortise the leasehold land over a tenure of lease on straight line basis. The effect of this change is decrease in lease hold land ₹ 27.86 lacs as at 31st March, 2016 (₹ 26.61 lacs as at 1stApril, 2015) on account of amortisation of lease hold land. resulting increase in amortisation of expense by ₹ 1.25 lacs as 31st March, 2016 and decrease in retained earning by ₹ 26.61 lacs as at 1stApril, 2015.

(xiv) Investment properties

Under previous GAAP, Land & Building given on lease has been shown as Investment property and disclosed under the head fixed assets. Under Ind AS, Land & Building given on lease are disclosed separately as Investment property on the face of the Balance sheet. The effect of this change is decrease in property, plant and equipment by ₹ 1,275.94 lacs as at March 31,2016 (₹ 1,220.37 lacs as at 1stApril, 2015) correspondingly increase in invest properties ₹ 1,275.94 lacs as at 31st March, 2016 (₹1,220.37 lacs as at 1stApril, 2015).

(xv) Discounts and incentives to customers

Under previous GAAP, discounts and incentives to the customers were shown as a part of other expense. Under Ind AS, revenue from sale of products are recognised at net of discounts and incentives to the customers. Thus, sale of products under Ind AS has decreased by ₹ 569.66 lacs with a corresponding decrease in selling expenses.

(xvi) MAT Credit Entitlement

Under previous GAAP, MAT credit entitlement was shown as other current assets. Under Ind AS, MAT credit entitlement is recorded and classified as deferred tax assets/liabilities(net). The effect of this change is decrease in other current assets and deferred tax liabilities(net) by ₹ 942.76 lacs as at 31st March, 2016 (₹ 272.33 lacs as at 1stApril, 2015).

(xvii) The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

54 Regrouping and restatement

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

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, 2017

Mukesh Sood

Company Secretary

Bharat Bhushan Gupta

Chief Financial Officer

Dinesh Gogna

Director

Kamal Oswal

Vice 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 Ind AS financial statements of Nahar Industrial Enterprises Limited. (hereinafter referred to as "the Company") and its associates (herein together referred as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of changes in equity and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the companies (Indian Accounting Standards) Rule, 2015 (As amended) under Section 133 of the Act. 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company and its associates, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by

the institute of chartered accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (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, and based on the consideration of reports of the other Auditors on separate financial statements of the associate referred to below in the other matters paragraph the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group, as at 31st March, 2017 and their consolidated profit (Including other comprehensive income), its consolidated cash flows and the consolidated statement of changes in equity for the years then ended.

Other Matters

(a) The consolidated Ind AS Financial Statements also include the Company's share of I-GAAP(loss) after tax of ₹ 1.74 Crores for the year ended 31st March, 2017 from three associates (Cotton County Retail Limited, Vardhman Investment Limited and Atam Vallabh Financers Limited) which have been audited by us.

(b) We did not audit the I-GAAP Financial Statements of one company being an associate (J.L. Growth Funds Limited) whose financial statement reflect our share of I-GAAP profit after tax of ₹ 0.38 crores as considered in the consolidated Ind AS Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in



respect of these associate, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

(c) The comparative financial for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 in respect of Four associates included in this consolidated Ind AS financial statements prepared in accordance with the I-GAAP, one of which has been audited by other auditor and have been relied upon by us.

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

(d) The comparative financial information of the Company for the year ended March 31st, 2016 and the transition date opening balance sheet as at April 1st, 2015 included in these consolidated financial statements, are based on the previously issued statutory financial statements for the years ended March 31st, 2016 and March 31st, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 30th May, 2016 and 30th May, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition have been audited by us. Our opinion is not qualified in respect of these matters.

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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement, the Consolidated Statement of Changes In Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial Statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act,

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2017 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, 2017 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 associates 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company, and its associates - Refer Note 33 to the consolidated Ind AS 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 during the year ended 31st March, 2017.
- iv. The Company has provided requisite disclosures in its consolidated Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) during the period from 9th November, 2016 to 30th December, 2016. However, we are unable to comment as the company has not maintained separate records of SBN and other denomination.

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

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

Place : Ludhiana
Dated : 30th May, 2017



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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March, 2017, 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 respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company and its associate company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 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 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, 2017, 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)

Place : Ludhiana
Dated : 30th May, 2017

M. No. : 017039



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

PARTICULARS	NOTE NO.	As At 31st March, 2017 (₹ In Lacs)	As At 31st March, 2016 (₹ In Lacs)	As At 1st April, 2015 (₹ In Lacs)
ASSETS				
Non-Current Assets				
a)Property, Plant and Equipment	3	53,260.41	54,082.62	59,867.39
b)Capital work in progress		5,557.51	1,831.38	3,987.02
c)Investment Property	4	1,220.73	1,275.94	1,220.37
d)Other Intangible assets	5	62.50	116.88	171.25
e)Financial Assets				
i) Investments	6a	14,634.79	13,127.51	11,846.79
ii) Loans	6b	1,042.08	1,159.38	1,112.64
f)Other non current assets	7	199.85	221.33	241.98
Total Non-Current Assets		75,997.87	71,815.04	78,447.44
Current Assets				
a)Inventories	8	64,346.26	65,635.76	63,967.78
b)Financial Assets				
i)Trade receivable	9a	20,937.45	18,397.70	17,418.18
ii)Cash and cash equivalents	9b	167.75	241.74	220.72
iii)Other bank balances	9c	109.59	101.78	123.68
iv)Loans	9d	73.25	83.87	95.82
v)Other Financial assets	9e	00.15	00.13	00.13
c)Government Grant Receivables	10	2,587.64	2,750.74	2,198.86
d)Current tax Assets (Net)	11	--	--	681.39
e)Other current assets	12	11,153.40	9,448.61	9,429.55
Total Current Assets		99,375.49	96,660.33	94,136.11
TOTAL ASSETS		175,353.36	168,475.37	172,583.55
EQUITY AND LIABILITIES				
Equity				
a)Equity Share Capital	13	4,003.42	4,003.42	4,003.42
b)Other Equity	14	65,701.74	57,398.79	51,831.68
Total Equity		69,705.16	61,402.21	55,835.10
Liabilities				
Non-Current Liabilities				
a)Financial Liabilities				
i)Borrowings	15a	33,143.56	34,912.14	42,003.12
ii)Other Financial Liabilities	15b	553.81	524.06	501.57
b) Provisions	16	642.00	479.66	571.01
c) Deferred tax liabilities (net)	17	791.83	720.08	2,222.45
d) Other non-current liabilities	18	47.64	71.43	95.22
Total Non-Current Liabilities		35,178.84	36,707.37	45,393.37
Current Liabilities				
a)Financial Liabilities				
i) Current Borrowings	19a	46,942.99	49,925.00	40,886.20
ii)Trade Payables	19b	9,337.30	5,029.09	10,470.46
iii)Other Financial Liabilities	19c	10,376.55	11,651.50	16,381.73
b)Other Current Liabilities	20	2,537.17	2,117.62	2,883.24
c)Provisions	21	1,081.89	899.60	733.45
d) Current Tax Liabilities (Net)	22	193.46	742.98	--
Total Current Liabilities		70,469.36	70,365.79	71,355.08
TOTAL EQUITY AND LIABILITIES		175,353.36	168,475.37	172,583.55

The accompanying notes form an integral part of these financial statements **1 to 55**

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, 2017

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, 2017

PARTICULARS	NOTE NO.	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
INCOME			
Revenue from Operations	23	173,166.89	177,694.62
Other Income	24	561.93	487.08
Total Income		173,728.82	178,181.70
EXPENSES			
Cost of Materials Consumed	25	96,218.29	89,768.56
Purchases of stock-in-trade	26	2,684.51	1,006.94
Change in inventories of Finished Goods, Work -in-Progress and stock in trade	27	(5,936.51)	4,199.71
Excise Duty Expenses	28	942.70	693.78
Employee Benefit Expense	29	17,492.54	16,968.31
Finance Costs	30	5,982.38	7,881.21
Depreciation and Amortisation Expense	3,4,5	6,918.70	8,998.34
Other expenses	31	40,815.56	43,165.88
Total Expenses		165,118.17	172,682.73
Profit Before share of net profit of investment accounted for using the equity method & Tax		8,610.65	5,498.97
Share of loss of equity accounted investments		(125.83)	(350.45)
Profit Before Tax		8,484.82	5,148.52
Tax expense	32		
(1) Current tax		1,983.04	2,033.87
(2) Deferred tax		(403.00)	(831.94)
Profit After Tax for the period		6,904.78	3,946.59
Other Comprehensive Income (OCI)			
A Items that will not be reclassified to profit or loss			
(i) Re-measurement gains (losses) on defined benefit plans		(55.87)	7.30
B Items that will be reclassified to profit or loss			
(i) Net Gain on FVOCI equity securities		1,988.37	177.62
Total Other Comprehensive Income (A+B)		1,932.50	184.92
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		8,837.28	4,131.51
Basic and diluted earnings per equity share (Face value of equity share ₹10 each)	39	17.33	9.91

The accompanying notes form an integral part of these financial statements 1 to 55

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, 2017

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, 2017

PARTICULARS	2016-17 (₹ In Lacs)	2015-16 (₹ In Lacs)
(A) Cash Flow from Operating Activities		
Net profit before Tax	8,484.82	5,148.52
Adjustment for:		
Depreciation	6,918.70	8,998.34
Power & fuel Exp	13.82	13.82
Other Income	(34.09)	(33.07)
Rent	6.26	6.26
Remeasurement of defined benefit plan	(55.87)	7.30
Sundry balances written back (Net)	239.68	134.59
Provision for diminution in value of investment	355.52	--
Profit on sale of Property, Plant and Equipment (Net)	(175.31)	(56.49)
Dividend Received	(62.13)	(44.02)
Interest Income	(169.29)	(233.80)
Interest Expense	5,982.38	7,881.21
Share of Loss of associates	125.83	350.45
Operating Profit before Working Capital Changes	21,630.32	22,173.11
Adjustment for		
Trade & Other Receivable	(4,198.53)	(1,730.28)
Inventories	1,289.50	(1,667.98)
Trade & Other Payables	5,192.96	(5,911.93)
Cash Generated from operations	23,914.25	12,862.92
Direct Taxes Paid	(2,047.83)	(1,271.07)
Net Cash from Operating Activities	21,866.42	11,591.85
(B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(10,151.67)	(1,479.34)
Sale of Property, Plant and Equipment	614.00	476.69
Interest Received	169.29	233.80
Dividend Received	62.13	44.02
Net cash used in Investing Activities	(9,306.25)	(724.83)
(C) Cash Flow from Financing Activities		
Interest paid	(5,982.38)	(7,881.21)
Dividend paid	(390.58)	(22.07)
Corporate dividend tax	(81.09)	--
Proceeds from Long Term Borrowings (Net)	(3,190.29)	(12,003.42)
Changes in Working Capital Borrowings	(2,982.01)	9,038.80
Net Cash used in Financing Activities	(12,626.35)	(10,867.90)
Net Change in Cash & Cash Equivalents (A+B+C)	(66.18)	(00.88)
Opening Cash & Cash Equivalents	343.52	344.40
Closing Cash & Cash Equivalents	277.34	343.52

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

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, 2017



Consolidated Statement of Changes in Equity for the Year ended 31st March 2017

PARTICULARS	2016-17 (₹ In Lacs)
A. Equity Share Capital	
As at April 1, 2015	4,003.42
Issue of Equity Share capital	--
As at March 31, 2016	4,003.42
Issue of Equity Share capital	--
As at March 31, 2017	4,003.42

B. Other Equity
Attributable to the equity holders

PARTICULARS	Reserve & Surplus						Retained Earnings	Total
	Security Premium Reserve	Capital Reserve	Capital Redemption Reserve	Contingent Liability Reserve	General Reserve			
Balance as at April 1, 2015	33,454.08	9,474.86	1,925.00	754.90	6,222.84	--	51,831.68	
Profit for the year	--	--	--	--	--	3,946.59	3,946.59	
Remeasurement gain/(loss) on defined benefit plan	--	--	--	--	--	7.30	7.30	
Other Comprehensive Income	--	--	--	--	--	177.62	177.62	
Total Comprehensive Income for the year	33,454.08	9,474.86	1,925.00	754.90	6,222.84	4,131.51	55,963.19	
CSR Expense	--	--	--	--	--	(17.53)	(17.53)	
Transitional Provision of Investment in associates	--	--	--	--	1,453.13	--	1,453.13	
Transfer to General Reserve	--	--	--	--	--	(4,113.98)	(4,113.98)	
Transfer from Retained Earning	--	--	--	--	4,113.98	--	4,113.98	
	33,454.08	9,474.86	1,925.00	754.90	11,789.95	--	57,398.79	
Balance as at March 31, 2016								
Profit for the year	--	--	--	--	--	6,904.78	6,904.78	
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	--	--	(55.87)	(55.87)	
Other Comprehensive Income	--	--	--	--	--	1,988.37	1,988.37	
Total Comprehensive Income for the year	33,454.08	9,474.86	1,925.00	754.90	11,789.95	8,837.28	66,236.07	
Dividends (including tax thereon)	--	--	--	--	--	(479.44)	(479.44)	
CSR Expense	--	--	--	--	--	(54.89)	(54.89)	
Transfer from Retained Earning	--	--	--	--	8,302.95	--	8,302.95	
Transfer to General Reserve	--	--	--	--	--	(8,302.95)	(8,302.95)	
Balance as at March 31, 2017	33,454.08	9,474.86	1,925.00	754.90	20,092.90	--	65,701.74	

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, 2017

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, 2017****1. Background**

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

Note: 2 Significant accounting policies

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

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

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

The Consolidated financial statements up to year ended 31st March, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act for the year ended 31st March, 2017.

These Consolidated financial statements are the first financial statements of the Group prepared under Ind AS. Refer note 54 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

(ii) Historical Cost Convention

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

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

(iii) Rounding of amounts

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

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

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

(ii) Equity Method

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

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

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017****c) Fair Value Measurement**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d) Current versus non-current classification

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

e) Property, plant and equipment

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017****Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their useful lives except in case of Arham Spinning Mills, Lalru. In case of new projects and major expansion of the existing units undertaken by the Group after

1st April, 2005 till 31st March, 2012, Depreciation charged on the Straight line method. Leasehold land is amortised over period of lease. The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful life of assets are same as those prescribed in schedule II of the Act. The residual values are not more than 5% of the original cost of the asset.

f) Investment properties

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

g) Intangible assets**Computer Software**

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

h) Impairment of Non-financial assets

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

i) Inventories

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

j) Borrowing costs

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

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017****k) Government Grant**

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

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

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

l) Provisions, Contingent liabilities and Contingent Assets

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

m) Foreign currency translation

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

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

n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, value added taxes.

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

Sale of goods

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

Revenue from Services

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017****Other operating revenue - Export incentives**

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

o) Leases

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

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

p) Income Tax

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

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

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

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

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

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

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

q) Cash and cash equivalents

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

r) Trade receivables

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017****s) Financial instruments**

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

Fair Value through OCI:

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

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

Fair Value through Profit or Loss:

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

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

Classification and Subsequent Measurement: Financial liabilities:

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

Financial Liabilities at FVTPL:

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

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

Other Financial Liabilities:

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017**

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

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

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

t) Derivative financial instruments

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

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

u) Offsetting financial instruments

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

v) Derivatives that are not designated as hedges

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

w) Employee benefits**i) Short term obligations**

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

ii) Post-employment obligations

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017**

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

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

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

iii) Defined contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local Regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

x) Segment reporting

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

y) Trade and other payables

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

z) Borrowings

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

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017****aa) Earnings per share****i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the group

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

ii) Diluted earnings per share

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

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

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

Note: 2.1 Critical estimates and judgements

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 32
- Estimation of defined benefit obligation – Note 46
- Recognition of deferred tax assets for carried forward tax losses – Note 17

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

3. PROPERTY, PLANT AND EQUIPMENT		GROSS BLOCK						DEPRECIATION BLOCK			NET BLOCK	
		As at 01.04.2016	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2017	Upto 31.03.2016	Provided during the year	Adjusted/ Written back during the year	Total Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016	
Leasehold Land	123.49	--	--	123.49	27.86	1.25	--	29.11	94.38	95.63		
Freehold Land	8,201.51	400.30	--	8,601.81	--	--	--	--	8,601.81	8,201.51		
Building	34,532.06	48.20	416.66	34,163.60	14,785.43	1,185.13	43.51	15,927.05	18,236.55	19,746.63		
Plant & Machinery	140,023.89	5,588.08	811.02	144,800.95	114,705.76	5,360.71	757.35	119,309.12	25,491.83	25,318.13		
Furniture & Fixtures	912.33	12.49	1.18	923.64	579.45	92.94	00.57	671.82	251.82	332.88		
Office Equipment	1,030.67	28.09	3.81	1,054.95	874.52	65.95	3.40	937.07	117.88	156.15		
Vehicles	660.82	348.42	50.88	958.36	429.13	103.13	40.04	492.22	466.14	231.69		
TOTAL	185,484.77	6,425.58	1,283.55	190,626.80	131,402.15	6,809.11	844.87	137,366.39	53,260.41	54,082.62		

3. PROPERTY, PLANT AND EQUIPMENT		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	Adjusted/ Written back during the year	Total Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015			
Leasehold Land	123.49	--	123.49	26.61	1.25	--	27.86	95.63	96.90			
Freehold Land	7,244.82	957.11	8,201.51	--	--	--	--	8,201.51	7,244.82			
Building	34,157.73	952.75	34,532.06	13,587.67	1,263.20	65.44	14,785.43	19,746.63	20,570.06			
Plant & Machinery	138,724.65	1,581.42	140,023.89	107,660.45	7,317.92	272.61	114,705.76	25,318.13	31,064.20			
Furniture & Fixtures	901.11	12.88	912.33	459.36	121.07	00.98	579.45	332.88	441.75			
Office Equipment	962.47	75.36	1,030.67	781.59	98.71	5.78	874.52	156.15	180.88			
Vehicles	660.72	55.46	660.82	391.94	83.34	46.15	429.13	231.69	268.78			
TOTAL	182,774.99	3,634.98	185,484.77	122,907.62	8,885.49	390.96	131,402.15	54,082.62	59,867.39			



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

(₹ In Lacs)

4. INVESTMENT PROPERTY		GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
PARTICULARS	As at 01.04.2016	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2017	Upto 31.03.2016	Provided during the year	Adjusted/ Written back during the year	Total Upto 31.03.2017	As at 31.03.2017
Free Hold Land Building	162.75 1,436.02	-- --	-- --	162.75 1,436.02	-- 322.83	-- 55.21	-- --	-- 378.04	162.75 1,057.98
TOTAL	1,598.77	--	--	1,598.77	322.83	55.21	--	378.04	1,220.73
5. OTHER INTANGIBLE ASSETS		GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
PARTICULARS	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	Adjusted/ Written back during the year	Total Upto 31.03.2016	As at 31.03.2016
Free Hold Land Building	162.33 1,256.95	00.42* 179.07*	-- --	162.75 1,436.02	-- 198.91	-- 123.92*	-- --	-- 322.83	162.75 1,113.19
TOTAL	1,419.28	179.49*	--	1,598.77	198.91	123.92*	--	322.83	1,275.94

Note* :- Addition during the year of ₹. 179.49 Lacs in Gross Block and of ₹. 65.44 lacs Depreciation provided during the year transfer from Property, Plant And Equipment. Amount recognised in profit and loss of investment properties :-

Particulars	31 st March, 2017	31 st March, 2016
Rental Income	97.85	95.54
Direct operating expenses that generated rental income	55.21	58.48
Profit from leasing of investment properties	42.64	37.06

5. OTHER INTANGIBLE ASSETS		GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
PARTICULARS	As at 01.04.2016	Additions During the Year	Sale/ Adjustment During the year	As at 31.03.2017	Upto 31.03.2016	Provided during the year	Adjusted/ Written back during the year	Total Upto 31.03.2017	As at 31.03.2017
Computer Software	458.31	--	--	458.31	341.43	54.38	--	395.81	62.50
TOTAL	458.31	--	--	458.31	341.43	54.38	--	395.81	62.50
5. OTHER INTANGIBLE ASSETS		GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
PARTICULARS	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	Adjusted/ Written back during the year	Total Upto 31.03.2016	As at 31.03.2015
Computer Software	458.31	--	--	458.31	287.06	54.37	--	341.43	116.88
TOTAL	458.31	--	--	458.31	287.06	54.37	--	341.43	116.88



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
6(a) Investments			
(i) Investments in Equity Instrument			
Investments in Associates (Unquoted) (COST)			
180,000- Fully paid up Equity shares (180,000 as at 31st March, 2016 and 180,000 as at 1st April, 2015) @ ₹100 each of J.L. Growth Fund Ltd.	1,684.80	1,684.80	1,684.80
Add : Accumulated profit from Associate Company (Accumulated profit 31st March, 2016 and profit for year 1st April, 2015)	<u>688.46</u>	<u>649.87</u>	<u>28.51</u>
	2,373.26	2,334.67	1,713.31
250,000- Fully paid up Equity shares (250,000 as at 31st March, 2016 and 250,000 as at 1st April, 2015) @ ₹100 each of Vardhman Investment Ltd.	1,475.00	1,475.00	1,475.00
Add : Accumulated profit from Associate Company (Accumulated profit 31st March, 2016 and profit for year 1st April, 2015)	<u>171.83</u>	<u>148.45</u>	<u>19.71</u>
	1,646.83	1,623.45	1,494.71
164,000- Fully paid up Equity shares (164,000 as at 31st March, 2016 and 164,000 as at 1st April, 2015) @ ₹100 each of Atam Vallabh Financers Ltd.	1,066.00	1,066.00	1,066.00
Add : Accumulated profit from Associate Company (Accumulated profit 31st March, 2016 and profit for year 1st April, 2015)	<u>119.54</u>	<u>102.72</u>	<u>13.41</u>
	1,185.54	1,168.72	1,079.41
10,729,474- Fully Paid up Equity shares (10,729,474 as at 31st March, 2016 and 10,729,474 as at 1st April, 2015) @ ₹10 each of Cotton County Retail Ltd.	3,978.92	3,978.92	3,978.92
Add : Accumulated profit from Associate Company (Accumulated profit 31st March, 2016 and loss for year 1st April, 2015)	<u>00.57</u>	<u>215.23</u>	<u>(39.17)</u>
	3,979.49	4,194.15	3,939.75
Sub Total	<u>9,185.12</u>	<u>9,320.99</u>	<u>8,227.18</u>
(ii) Investments in Equity Instrument			
Investments at fair value through OCI			
Investments in Others (Quoted)			
2,356,930- Fully Paid up Equity Shares(2,356,930 as at 31st March, 2016 and 2,356,930 as at 1st April, 2015) @ ₹5 each of Nahar Spinning Mills Ltd.	3,188.93	2,154.23	2,029.32
1,264,720-Fully Paid up Equity Shares (1,264,720 as at 31st March, 2016 and 1,264,720 as at 1st April, 2015) @ ₹5 each of Nahar Poly films Ltd.	768.32	413.56	259.27
1,363,221- Fully paid up Equity Shares (1,363,221 as at 31st March, 2016 and 1,363,221 as at 1st April, 2015) @ ₹5 each of Nahar Capital & Financial Services Ltd.	1,381.62	783.86	886.09
12,555 -Fully paid up Equity Shares (12,555 as at 31st March, 2016 and 12,555 as at 1st April, 2015) @ ₹10 each of Pasupati Acrylon Ltd.	2.81	1.66	1.01
50- Fully paid up Equity shares (50 as at 31st March, 2016 and 50 as at 1st April, 2015) @ ₹10 each of Malwa Cotton Mills Ltd.	--	--	--
Sub Total	<u>5,341.68</u>	<u>3,353.31</u>	<u>3,175.69</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
(iii) Investments in Equity Instrument			
Investments at fair value through OCI			
Investments in Others (Unquoted)			
30,900- Fully paid up Equity shares (30,900 as at 31st March, 2016 and 30,900 as at 1st April, 2015) @ ₹10 each of BPL Engineering Ltd.	2.80	2.80	2.80
22,500- Fully paid up Equity shares (22,500 as at 31st March, 2016 and 22,500 as at 1st April, 2015) @ ₹10 each of Pertech Computer Ltd.	00.23	00.23	00.23
7,700 Fully Paid up Equity shares (7,700 as at 31st March, 2016 and 7,700 as at 1st April, 2015) @ ₹10 each of R.S. Petro Chemical Ltd.	00.08	00.08	00.08
3,360- Fully paid up Equity shares (3,360 as at 31st March, 2016 and 3,360 as at 1st April, 2015) @ ₹100 each of Nagdevi Trading & Investment Co. Ltd.	00.51	00.51	00.51
3,558,786- Fully paid up Class-'A' Equity shares (3,558,786 as at 31st March, 2016 and 3,558,786 as at 1st April, 2015) @ ₹10 each of VS Lignite Power Pvt. Ltd.	00.36	355.88	355.88
One Fully paid up Equity share(1 as at 31st March, 2016 and 1 as at 1st April, 2015) of @ ₹100 of Punjab State Co-Operative Bank Ltd.	--	--	--
One Fully paid up Equity shares (1 as at 31st March, 2016 and 1 as at 1st April, 2015) @ ₹5,000 each of Krishna Building Owners Association	00.05	00.05	00.05
Sub Total	<u>4.03</u>	<u>359.55</u>	<u>359.55</u>
(iv) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted)			
At Amortised Cost			
3,156,958- Fully paid up Class 'A' 0.01% Cumulative Redeemable Preference Shares (3,156,958 as at 31st March, 2016 and 3,156,958 as at 1st April, 2015) @ ₹10 each of VS Lignite Power Pvt. Ltd.	103.96	93.66	84.37
Sub Total	<u>103.96</u>	<u>93.66</u>	<u>84.37</u>
TOTAL (i+ii+iii+iv)	<u>14,634.79</u>	<u>13,127.51</u>	<u>11,846.79</u>
1. Market Value of Quoted Investment	5,341.68	3,353.31	3,175.69
2. Aggregate amount of Unquoted Investment	9,293.11	9,774.20	8,671.10
3. Aggregate amount of Total Investment	14,634.79	13,127.51	11,846.79



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March, 2017 (₹ In Lacs)	As At 31st March, 2016 (₹ In Lacs)	As At 1st April, 2015 (₹ In Lacs)
6b Loans (Unsecured, considered good)			
Security deposits	1,042.08	1,159.38	1,112.64
	<u>1,042.08</u>	<u>1,159.38</u>	<u>1,112.64</u>
7. Other Non-Current Assets			
Capital Advances	12.85	12.85	12.85
Prepaid Lease Rentals	43.80	50.06	56.31
Deferred Power Purchase Cost	133.52	147.34	161.17
Prepaid Expense	9.68	11.08	11.65
Total	<u>199.85</u>	<u>221.33</u>	<u>241.98</u>
8. Inventories (As taken, valued and approved by management)			
Raw Materials	26,180.14	33,425.13	27,076.88
Work-in-Progress	5,678.90	4,885.64	4,779.12
Finished Goods	29,794.75	24,651.50	28,957.73
Stores and Spares	2,692.47	2,673.49	3,154.05
Total	<u>64,346.26</u>	<u>65,635.76</u>	<u>63,967.78</u>
8.1 Detail of Inventory-Finished Goods			
Yarn	6,603.20	5,450.24	5,805.15
Fabrics	9,053.01	8,575.76	9,995.51
Sugar	12,586.19	9,931.16	11,884.55
Other	1,552.35	694.34	1,272.52
Total	<u>29,794.75</u>	<u>24,651.50</u>	<u>28,957.73</u>
9a Trade receivables Unsecured, considered good	20,937.45	18,397.70	17,418.18
Total	<u>20,937.45</u>	<u>18,397.70</u>	<u>17,418.18</u>
9b Cash and cash equivalents			
Balances with banks - current accounts	126.35	96.08	110.86
Cash-in-Hand	41.40	145.66	109.86
Total	<u>167.75</u>	<u>241.74</u>	<u>220.72</u>
9c Other bank balances			
Unpaid Dividend Account	105.84	98.07	120.14
Fixed deposit having original maturity more than 3 months but less than 12 months	3.75	3.71	3.54
Total	<u>109.59</u>	<u>101.78</u>	<u>123.68</u>
9d Loans Loans to Employee	73.25	83.87	95.82
Total	<u>73.25</u>	<u>83.87</u>	<u>95.82</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
9e Other Financial assets			
Other Financial assets	00.15	00.13	00.13
Total	<u>00.15</u>	<u>00.13</u>	<u>00.13</u>
10 Government Grant Receivables			
Government Grant Receivables	2,587.64	2,750.74	2,198.86
Total	<u>2,587.64</u>	<u>2,750.74</u>	<u>2,198.86</u>
11 Current tax assets			
Advance income Tax/TDS/TCS	--	--	758.45
Less Provision for Taxation	--	--	77.06
Total	<u>--</u>	<u>--</u>	<u>681.39</u>
12 Other current assets			
Advances to suppliers	3,059.09	3,158.88	1,907.60
Advances to employees	16.41	11.45	18.00
Balance with government authorities	3,771.81	3,203.76	3708.46
Prepaid expenses	257.75	229.97	202.55
Prepaid Lease rentals	6.26	6.26	7.98
Deferred Power Purchase Cost	13.82	13.82	13.82
Expense recoverable	4,028.26	2,824.47	3571.14
Total	<u>11,153.40</u>	<u>9,448.61</u>	<u>9,429.55</u>
13. Equity Share Capital			
Authorized:			
65,000,000 Equity Shares (65,000,000 as at 31st March, 2016 and 65,000,000 1st April, 2015) of ₹10/- each	6,500.00	6,500.00	6,500.00
Total	<u>6,500.00</u>	<u>6,500.00</u>	<u>6,500.00</u>
Issued, Subscribed and Fully Paid up :			
39,835,141 Equity Shares (39,835,141 as at 31st March, 2016 and 39,835,141 1st April, 2015) of ₹ 10/- each	3,983.51	3,983.51	3,983.51
Add: Share Forefeited Account (Amount originally paid up)	19.91	19.91	19.91
Total	<u>4,003.42</u>	<u>4,003.42</u>	<u>4,003.42</u>
a. Reconciliation of the number of equity Shares outstanding :			
At the beginning of the year	39,835,141	39,835,141	39,835,141
Outstanding at the end of year	<u>39,835,141</u>	<u>39,835,141</u>	<u>39,835,141</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At		As At		As At	
	31 st March, 2017 (₹ In Lacs)		31 st March, 2016 (₹ In Lacs)		1 st April, 2015 (₹ In Lacs)	

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		As At	
	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	Number	% of holding	Number	% of holding	Number	% of holding
Nahar Capital & Financial Services Ltd.	9,336,745	23.44	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	3,421,836	8.59
Nahar Poly Films Ltd.	2,708,800	6.80	2,708,800	6.80	2,708,800	6.80
Vardhman Investments Ltd.	2,277,955	5.72	2,277,955	5.72	2,277,955	5.72
Oswal Woollen Mills Ltd.	2,094,819	5.26	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	2,273,625	5.71
Kovalam Investment & Trading Co. Ltd.	2,068,920	5.19	2,068,920	5.19	2,068,920	5.19
Ashish Dhawan	--	--	25,901.24	6.50	25,901.24	6.50



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
14. Other Equity			
Capital Reserve			
Balance as per last Balance Sheet	9,474.86	9,474.86	9,474.86
Capital Redemption Reserve			
Balance as per last Balance Sheet	1,925.00	1,925.00	1,925.00
Securities Premium Account			
Balance as per last Balance Sheet	33,454.08	33,454.08	33,454.08
Contingent Liability Reserve			
Balance as per last Balance Sheet	754.90	754.90	754.90
General Reserve			
Balance as per last Balance Sheet	11,789.95	6,222.84	6,222.84
Add : Transitional Provision of Investment in associates		1,453.13	
Add: Transfer from Retained Earnings	<u>8,302.95</u>	<u>20,092.90</u>	<u>4,113.98</u>
		11,789.95	--
		--	6,222.84
Retained Earnings			
Balance as per last Balance Sheet	--	--	--
Add: Profit for the year	6,904.78	3,946.59	--
Add: Remeasurement gain/(loss) on defined benefit plan	(55.87)	7.30	--
Add: Other Comprehensive income	1,988.37	177.62	--
Less: Corporate social Responsibility	54.89	17.53	--
Less : Dividend on Equity shares	398.35	--	--
Less : Corporate Dividend Tax	81.09	--	--
Balance Transferred to General Reserve	<u>8,302.95</u>	<u>4,113.98</u>	--
	<u>65,701.74</u>	<u>57,398.79</u>	<u>51,831.68</u>
15a Borrowings			
Term Loans (Secured)			
From Banks	27,110.50	29,510.07	36,949.14
Others (Unsecured)			
Loans And Advances from Related Parties	6,033.06	5,402.07	5,053.98
Total	<u>33,143.56</u>	<u>34,912.14</u>	<u>42,003.12</u>

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

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)
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15a.1 Terms of repayment of long term borrowings :

i) Terms of repayment of term loans*

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

* Figures of term loan stated in para 15 a i (i) includes current maturities of long term debt shown separately in Note no 19c and exclude ₹ 33.69 Lacs Transaction Cost amortised over the period of Term Loan.

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

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS

As At
31st March, 2016
(₹ In Lacs)

Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 31st March, 2016 :

Terms of repayment of long ter borrowings:

i) Terms of Repayment of term loans*

As At 31 st March, 2016 (₹ In Lacs)	Repayment Period from origination (years)	Installments outstanding as on 31 st March, 2016	
		No.	Periodicity
853.86	4	3	Quarterly
786.65	4	3	Quarterly
3,000.00	3.5	14	Quarterly
3,000.00	3.5	14	Quarterly
241.64	8	1	Quarterly
76.68	8	4	Quarterly
759.40	8	12	Quarterly
8,848.00	8	16	Quarterly
1,227.12	8	16	Quarterly
2,423.90	8	17	Quarterly
10,514.61	8	21	Quarterly
1,973.63	5	20	Quarterly
1,872.50	8	5	Quarterly
163.13	8	4	Quarterly
683.70	8	15	Quarterly
390.60	5	20	Quarterly
1,089.00	4	16	Quarterly
996.78	3	12	Quarterly
1.86	3	10	Monthly
1.96	3	10	Monthly
2.03	3	11	Monthly
2.14	3	12	Monthly
2.22	3	12	Monthly
4.08	3	15	Monthly
4.21	3	24	Monthly
2.36	3	13	Monthly
38,922.06			

* Figures of term loan stated in para 15 a i (i) includes current maturities of long term debt shown separately in Note no 19c and exclude ₹40.67 Lacs Transaction Cost amortised over the period of Term Loan.

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 Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khijuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created ot to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS

As At
1st April, 2015
(₹ In Lacs)

Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities) as on 1st April, 2015 :

Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans*

As At 1 st April, 2015 (₹ In Lacs)	Repayment Period from origination (years)	Installments outstanding as on 1 st April, 2015	
		No.	Periodicity
1,991.00	4	7	Quarterly
1,836.65	4	7	Quarterly
726.00	8	3	Quarterly
3,000.00	3.5	14	Quarterly
3,000.00	3.5	14	Quarterly
1,831.23	8	6	Quarterly
172.63	8	9	Quarterly
1,075.80	8	17	Quarterly
9,629.00	8	20	Quarterly
1,416.08	8	20	Quarterly
2,783.02	8	21	Quarterly
28.97	8	1	Quarterly
920.65	8	5	Quarterly
11452.51	8	25	Quarterly
510.00	5	20	Quarterly
446.02	8	4	Monthly
1,107.95	6	72	Quarterly
532.17	8	3	Quarterly
3,469.85	8	10	Quarterly
321.65	8	8	Quarterly
813.42	8	19	Quarterly
120.00	8	2	Quarterly
1,950.00	3	3	Quarterly
1,148.00	3	11	Monthly
996.78	3	12	Monthly
3.89	3	22	Monthly
4.12	3	22	Monthly
4.04	3	23	Monthly
4.13	3	24	Monthly
4.13	3	24	Monthly
7.00	3	28	Monthly
6.00	3	36	Monthly
4.28	3	36	Monthly
51,316.97			

* Figures of term loan stated in para 15 a i (i) includes current maturities of long term debt shown separately in Note no 19c and exclude ₹ 84.07 Lacs Transaction Cost amortised over the period of Term Loan.

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 Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March, 2017 (₹ In Lacs)	As At 31st March, 2016 (₹ In Lacs)	As At 1st April, 2015 (₹ In Lacs)
15b Other Financial Liabilities			
Security deposit	343.82	314.07	291.58
Other Liabilities	209.99	209.99	209.99
Total	553.81	524.06	501.57
16 Provisions			
Provision for Gratuity	642.00	479.66	571.01
Total	642.00	479.66	571.01
17 Deferred Tax Liabilities (net)			
Deferred Tax Liability			
Relating to property, plant and equipment	1,641.81	1,562.29	2,378.63
Others	196.07	223.24	295.11
Deferred tax assets			
Disallowance u/s 43B of the Income Tax Act, 1961	540.81	106.28	197.62
Others	505.24	959.17	253.67
Total	791.83	720.08	2,222.45
18 Other Non-current Liabilities			
Deferred Income	47.64	71.43	95.22
Total	47.64	71.43	95.22
19a Current Borrowings			
From Banks			
Loans repayable on demand	46,942.99	49,925.00	40,886.20
Total	46,942.99	49,925.00	40,886.20
19a.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.		
19b Trade Payable			
Micro Small and Medium Enterprises	—	—	—
Others	9,337.30	5,029.09	10,470.46
Total	9,337.30	5,029.09	10,470.46

19b.1 In response to the letters sent to the suppliers seeking to know the status of their coverage under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) the Company has received replies from some of the suppliers. Disclosures as required under Section 22 of the MSMED Act, 2006 are given below:

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 1st April, 2015
The Principal amount and the interest due thereon unpaid to any supplier			
- Principal Amount	--	--	--
- Interest thereon	--	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--	--



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
-------------	--	--	---

Particulars	As At 31 st March, 2017	As At 31 st March, 2016	As At 1 st April, 2015
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.	--	--	--

19c Other Financial Liabilities

Unpaid dividend	105.84	98.07	120.14
Due to Employees	2,287.38	2,128.43	1,971.41
Derivative Liability	33.72	53.68	6.42
Current Maturities	7,949.61	9,371.32	14,283.76
Total	10,376.55	11,651.50	16,381.73

19c.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor's Education and Protection Fund.

20 Other current Liabilities

Statutory dues payables	384.53	376.74	372.62
Advance from customers	436.90	214.88	186.96
Deferred Income	23.78	23.79	23.79
Others	1,691.96	1,502.21	2,299.87
Total	2,537.17	2,117.62	2,883.24

21 Provisions

Provision for Employees Benefits	179.04	123.40	206.70
Provision for Excise duty payable	902.85	776.20	526.75
Total	1,081.89	899.60	733.45

22 Current Tax Liabilities (Net)

Advance income Tax / TDS / TCS	1,779.54	1,282.02	--
Less Provision for Taxation	1,973.00	2,025.00	--
Total	193.46	742.98	--



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
23. Revenue from Operations		
a) Sale of Products	169,035.90	174,947.78
b) Sale of services	567.41	367.15
c) Miscellaneous sales	2,818.23	1,156.31
d) Other operating revenue		
Others	--	85.49
Export Incentives	745.35	1,137.89
Total	173,166.89	177,694.62
23.1 Details of Products Sold		
Yarn	84,463.18	86,600.62
Fabrics	67,851.11	71,309.33
Sugar	15,700.13	15,091.63
Others	4,407.12	3,469.66
Total	172,421.54	176,471.24
24. Other Income		
Interest income	169.29	233.80
Dividend Income	62.13	44.02
Rental Income	105.82	100.05
Profit on sale of Fixed Assets	179.48	56.61
Others	45.21	52.60
Total	561.93	487.08
25. Cost of Material Consumed		
Opening Stock	33,425.13	27,076.88
Add : Purchases (Net)	88,973.30	96,116.81
Less: Closing Stock	26,180.14	33,425.13
Total	96,218.29	89,768.56
25.1 Detail of cost of Material Consumed		
Fibres	77,368.33	74,689.10
Yarn	3,387.99	3,244.08
Sugarcane	13,628.76	10,323.50
Others	1,833.21	1,511.88
Total	96,218.29	89,768.56
26. Purchase of Stock-in-Trade		
Yarn	2,597.47	935.99
Fabrics	83.21	56.08
Garments	3.83	14.87
Total	2,684.51	1,006.94
27. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	4,885.64	4,779.12
Finished Goods	24,651.50	28,957.73
Less : Closing Stock		
Work-in-progress	5,678.90	4,885.64
Finished Goods	29,794.75	24,651.50
Total	35,473.65	29,537.14
Total	(5,936.51)	4,199.71



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
28 Excise Duty Expenses		
Excise Duty on sales	942.70	693.78
	<u>942.70</u>	<u>693.78</u>
29 Employee Benefits Expense		
Salary, Wages and Other Allowances	15,647.39	15,179.97
Contribution to provident and other funds	1,694.94	1,588.88
Staff welfare expenses	133.97	149.42
Staff Recruitment & Development expenses	16.24	50.04
Total	<u>17,492.54</u>	<u>16,968.31</u>
30 Finance cost		
Interest Expense	5,814.83	7,546.47
MTM loss (gain) on forward Contracts	(19.96)	47.25
Other Borrowings Cost	187.51	287.49
	<u>5,982.38</u>	<u>7,881.21</u>
31 Other expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	13,901.01	14,587.12
Power and Fuel	20,145.11	22,265.23
Handling and Restacking charges	585.89	393.39
Machinery Repairs and Maintenance	525.48	416.24
Excise duty on stocks	126.64	249.44
Sub Total	<u>35,284.13</u>	<u>37,911.42</u>
b. Administrative & Other Expenses		
Rent	57.16	40.20
Rates & Taxes	122.33	311.98
Insurance	324.51	300.33
Legal & Professional Expenses	103.34	122.38
Travelling & Conveyance*	499.31	538.06
Vehicle Repair & Maintenance	136.04	104.21
Repairs and Maintenance	270.46	261.25
Payment To Auditor	15.62	16.77
Loss on Sale/Discard of Fixed Assets	4.17	00.12
Provision of Diminution in Value of Investment	355.52	--
Directors Remuneration	399.68	26.88
Directors' Meeting Fees	4.72	3.66
Charity & Donation	00.14	00.57
Miscellaneous Expenses	495.65	396.92
Sub Total	<u>2,788.65</u>	<u>2,123.33</u>
*Include Director Travelling of ₹ 28.84 Lacs (Previous Year ₹35.53 Lacs)		
c. Selling Expenses		
Forwarding and Octroi	1,588.20	1,924.52
Commission & Brokerage	860.18	917.39
Other Selling Expenses	294.40	289.22
Sub Total	<u>2,742.78</u>	<u>3,131.13</u>
Total (a+b+c)	<u>40,815.56</u>	<u>43,165.88</u>
31.1 Payment to Auditors		
As Auditor:		
Audit fee	10.03	9.98
Tax audit fee	3.79	3.20
In other capacity:		
Reimbursement of expenses	00.95	2.81
	00.85	00.78
Total	<u>15.62</u>	<u>16.77</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
32. Tax Expense		
Current Tax	1,983.04	2,033.87
Deffered Tax	(403.00)	(831.94)
Total	1,580.04	1,201.93
32.1 Reconciliation of tax liability of book profit vis-a-vis actual Tax Liability		
Accounting Profit Before Tax	8,484.52	5,148.52
Enacted Tax Rate	34.608%	34.608%
Current Tax Expenses on Profit before Tax at the enacted Income tax rate in India	2,936.32	1,781.80
Less : Adjustments in respect of differences are of permanent nature as per Income Tax act	1,083.92	899.81
Less : Other Deferred Tax Adjustment	272.36	(319.94)
Income Tax Expenses reported in the Statement of Profit & Loss	1,580.04	1,201.93
33) CONTINGENT LIABILITIES NOT PROVIDED FOR :		
a) Letter of Credits in favour of suppliers and others ₹ 864.00 Lacs .(as at 31st March, 2016 ₹ 2,408.62 Lacs and as at 1st April, 2015 ₹ 694.98 Lacs).		
b) Bank Guarantees in favour of suppliers and others ₹ 2,218.26 Lacs as at 31st March, 2016 ₹ 1,803.22 Lacs and as at 1st April, 2015 ₹ 1,159.11 Lacs).		
c) Sales tax demands against which the company has preferred appeals ₹ 67.17 Lacs .(as at 31st March, 2016 ₹ 67.17 Lacs and as at 1st April, 2015 ₹ 67.17 Lacs).		
d) Income tax demands against which the company has preferred appeals ₹ 1,368.89 Lacs .(as at 31st March, 2016 ₹ 1,175.84 Lacs and as at 1st April, 2015 ₹ 646.83 Lacs).		
e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 640.83 Lacs on various matters under the Central Excise Rules (as at 31st March, 2016 ₹ 603.16 Lacs and as at 1st April, 2015 ₹ 819.44 Lacs). The Company has filed suitable replies with the concerned authorities.		
f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 3,124.90 Lacs (as at 31st March, 2016 ₹ 3,124.90 Lacs and as at 1st April, 2015 ₹ 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.		
g) Claims of ₹ 3,602.98 Lacs .(as at 31st March, 2016 ₹ 3,525.40 Lacs and as at 1st April, 2015 ₹ 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.		
h) Company's share of contingencies of ₹ 15.10 lacs (as at 31st March, 2016 ₹ 15.10 Lacs and as at 1st April, 2015 ₹ 14.85 Lacs) in its associates for which the company is also contingently liable.		
34) Capital Commitment		
Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ 908.89 Lacs (as at 31st March, 2016 ₹ 1,076.15 Lacs and as at 1st April, 2015 ₹ 5,398.67 Lacs).		
35) The Company has undertaken export obligations of ₹ 50,005.74 Lacs (as at 31st March, 2016 ₹ 49,246.31 Lacs and as at 1st April, 2015 ₹ 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 ₹ 48,426.05 Lacs as at 31st March, 2016 ₹ 47,666.62 Lacs and as at 1st April, 2015 ₹ 65,881.82 Lacs have been fulfilled up to 31 st March, 2017.		
Advances include ₹ 27.76 Lacs (as at 31st March, 2016 ₹ 27.76 Lacs and as at 1st April, 2015 ₹ 27.76 Lacs) paid to the machinery supplier that are under dispute. The matter is pending in the Delhi High Court.		
36) 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.		
37) Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2017 for ₹ 3,531.48 Lacs (as at 31st March, 2016 ₹ 4,474.56 Lacs and as at 1st April, 2015 ₹ 5,723.35 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.		
38)		



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

39) Earnings Per Share (EPS)	(₹ In Lacs)	
	2016-17	2015-16
Profit/loss after Tax (₹ in Lacs)	6,904.78	3,946.59
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 (₹)	17.33	9.91

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

	(₹ In Lacs)							
	Textile		Sugar		Others		Total	
	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Segment Revenue								
Total Revenue	155,126.28	160,532.51	17,629.20	16,309.93	338.59	73.30	173,094.07	176,915.74
Less: Inter Segment Revenue							672.53	444.50
Net Revenue							172,421.54	176,471.24
Segment Results								
Profit/ (Loss) before exceptional items, interest and tax	10,943.98	12,541.55	3,933.84	894.05	(284.79)	(55.42)	14,593.03	13,380.18
Less : (I) interest							5,982.38	7,881.21
Profit (Loss) before tax							8,610.65	5,498.97
Segment Assets	139,227.84	137,258.00	17,400.60	15,102.60	18,724.92	16,114.77	175,353.36	168,475.37
Segment Liabilities	52,365.87	52,600.03	9,535.36	7,832.20	1,861.97	1,637.39	63,763.20	62,069.62
Capital Employed								
Segment Assets- Segment Liabilities	86,861.97	84,657.97	7,865.24	7,270.40	16,862.95	14,477.38	111,590.16	106,405.75

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

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

1 Associates

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

2 Key Management Personnel

Sh. 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, 2017**

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 Fashion Limited Nahar Poly Films Limited Kovlam Investment & Trading Co. Ltd. Nagdevi Trading & Investment Co. Ltd. Sankheshwar Holding Co. Ltd. Vanaik Investors Ltd. Vinayak Spinning Mills Ltd. Crown Star Limited* Hug Foods Pvt. Ltd. Abhilash Growth Fund Pvt. Ltd Nahar Growth Fund Pvt. Ltd Neha Credit & Investment Ltd. Nahar Financial & Investment Ltd. Retailerkart E-Venture Pvt Ltd.* Simran & Shanaya Co. Ltd.* Sidhanth & Mannat Co. Ltd.* Palam Motels Ltd.* Monika Growth Fund Pvt. Ltd.* Ruchika Growth Fund Pvt. Ltd.* Girnar Investment Ltd.* Oswal Leasing Limited* Bermuda Insurance Brokers Pvt. Ltd.* Vigil Investment Pvt. Ltd.* Cabot Trading & Inv. Co. Pvt. Ltd.* Marble E-Retail Pvt. Ltd.* Survat Trading Co. Ltd.* Amloh Industries Limited* Oswal Foundation*
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* No transaction has taken place during the year

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

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		
	31 st March, 2017	31 st March, 2016		31 st March, 2017	31 st March, 2016		31 st March, 2017	31 st March, 2016
Purchase of goods	18.09	24.76	--	--	7,698.18	4,447.98	--	--
Sales of Goods	1,398.16	1,034.64	--	--	16,752.89	24,118.86	--	--
Purchase of fixed assets	0.01	--	--	--	8.61	8.86	--	--
Sale of fixed assets	--	--	--	--	8.16	400.42	--	--
Sale of FMP/FMS license	--	--	--	--	--	88.73	--	--
Processing charges received	--	--	--	--	166.34	258.89	--	--
Processing charges Paid	295.22	--	--	--	--	4.11	--	--
Interest paid	553.06	502.11	--	--	--	--	--	--
Rent received	15.18	15.08	15.00	15.00	80.09	76.27	--	--
Rent paid	23.38	21.26	--	--	--	--	--	--
Dividend received	--	--	--	--	62.13	44.02	--	--
Dividend paid	73.91	--	0.01	--	199.19	--	--	--
Purchase of Investment	--	--	--	--	--	5.00	--	--
Sale of Investment	--	--	--	0.70	--	2.90	--	1.40
Director Meeting Fee	--	--	--	--	--	--	--	1.04
Remuneration	--	--	--	--	--	--	--	34.39
Loan received (Net)	77.93	--	--	--	--	--	--	--
Loan Paid (Net)	--	143.98	--	--	--	--	--	--
Corporate Social Responsibility Expenses	--	--	--	--	--	17.53	--	--
Balance Payable (net)	(4,983.05)	(4,646.69)	--	--	--	--	--	--



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

Remuneration of KMP

PARTICULARS	As At	
	31 st March, 2017 (₹ In Lacs)	31 st March, 2016 (₹ In Lacs)
(i) Short Term Benefits	437.32*	60.20
(ii) Post Employment Benefits	25.78	24.48
Total	463.10	84.68

* Included Remuneration paid to Vice Chairman-cum-Managing Director of ₹ 401.74 Lacs as on 31st March, 2017 and Rs. 26.88 Lacs as on 31st March, 2016

42) Expenditure in Foreign Currency

PARTICULARS	31 st March, 2017		31 st March, 2016	
	(₹ In Lacs)		(₹ In Lacs)	
a) Value of Import on CIF basis				
(i) Raw Material	1,126.15		3,527.45	
(ii) Capital Goods & Stores	5,372.86		2,421.96	
b) Expenditure in Foreign Currency				
(i) Travelling	41.05		44.30	
(ii) Commission	181.12		317.69	
(iii) Others	79.51		79.10	

43) Earning in Foreign Currency

PARTICULARS	31 st March, 2017		31 st March, 2016	
	(₹ In Lacs)		(₹ In Lacs)	
Earnings in Foreign Exchange				
i) F.O.B. Value of Exports	15,324.09		20,853.64	

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

PARTICULARS	31 st March, 2017		31 st March, 2016	
	(₹ In Lacs)	%age	(₹ In Lacs)	%age
i) Raw Material				
Imported	1,182.89	1.23	3,976.83	4.43
Indigenous	95,035.40	98.77	85,791.73	95.57
ii) Consumables, Stores, Spares Parts & Components				
Imported	1,489.45	10.71	1,386.33	9.50
Indigenous	12,411.56	89.29	13,200.79	90.50

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017**

45) Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments – Company as lessee

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

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

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

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

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

Impairment of non-financial assets

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

46) Post Retirement Benefits Plan (Ind AS 19)

Defined Benefit Plan

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

PARTICULARS	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	2,540.37	2,253.34
Interest cost	188.06	167.42
Current service cost	370.88	340.75
Actuarial loss/(gain) - Experience Changes	(76.66)	(22.39)
Actuarial loss / (Gains) Financial Assumption	157.41	15.09
Benefits paid	(196.16)	(213.84)
Present value obligation as at the end of the year	<u>2,983.90</u>	<u>2,540.37</u>
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,060.71	1,682.33
Interest income on plan assets	162.29	139.54
Employer Contributions	290.18	427.22
Return on plan assets greater/(lesser) than discount Rates	24.88	25.46
Benefits paid	(196.16)	(213.84)
Fair value of plan assets as at the end of the year	<u>2,341.90</u>	<u>2,060.71</u>
Breakup of Actuarial gain/loss:		
Actuarial (gain)/loss on arising from change in financial assumption	157.41	15.09
Actuarial (gain)/loss on arising from experience adjustment	(76.66)	(22.39)
Return on plan assets (greater)/less than discount rate	(24.88)	--
	<u>55.87</u>	<u>(7.30)</u>
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	2,983.90	2,540.37
Fair value of plan assets as at the end of the year	2,341.90	2,060.71
Net Asset/(Liability) in Balance Sheet	<u>(642.00)</u>	<u>(479.66)</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Amount recognized in the statement of profit and loss		
Current service cost	370.88	340.75
Interest cost	188.06	167.42
Interest Income on plan assets	(162.29)	(139.54)
(Income)/Expense recognised in the statement of profit and loss	396.65	368.63
Remeasurements recognised in the statement of Other Comprehensive Income (OCI)		
Experience Adjustments	(76.66)	(22.39)
Changes in Financial Assumptions	157.41	15.09
Return on plan assets (greater)/lesser than discount Rates	(24.88)	--
Net Loss/(Gain) recognised in other comprehensive income	55.87	(7.30)
Plan assets information		
Insurer Manage Funds	100 %	100 %
Actuarial assumptions		
Discount rate	6.80%	7.70%
Salary Escalation Rate	10.00%	10.00%
Employee turnover Rate	12.00%	12.00%
Mortality Rate	Indian Assured Lives Mortality (2006)-08 Ult. Modified	Indian Assured Lives Mortality (2006)-08 Ult. Modified
<p>These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.</p>		
Sensitivity analysis for gratuity liability		
The sensitivity of the overall plan obligations to changes in the weighted key assumptions are :		
Impact of the change in discount rate		
a) Impact due to increase of 0.50%	(89.55)	(73.69)
b) Impact due to decrease of 0.50%	95.22	78.29
Impact of change in salary Escalation Rate		
a) Impact due to increase of 0.50%	84.29	70.35
b) Impact due to decrease of 0.50%	(81.10)	(67.77)
Impact of change in Employee turnover Rate		
a) Impact due to increase of 0.50%	(144.90)	(99.36)
b) Impact due to decrease of 0.50%	234.96	151.15

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

Expected Future cash flow

The expected future cash flow in respect of gratuity as at 31st March, 2017 were as follows

Expected contribution

The expected future employer contributions for defined benefit plan as at 31st March, 2017 (for the year ended 31st March, 2018 i.e. ₹ 60.98 Lacs)

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

Gratuity 6 Years 6 Years

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

PARTICULARS	31st March 2017	31st March 2016
	(₹ In Lacs)	(₹ In Lacs)
Description		
March 31, 2017	–	452.21
March 31, 2018	503.83	300.83
March 31, 2019	335.14	326.65
March 31, 2020	393.59	378.52
March 31, 2021	415.37	431.46
March 31, 2022	453.44	--
March 31, 2022 to March 31, 2026	--	2,538.56
March 31, 2023 to March 31, 2027	2,614.72	--

47) Fair value measurement

(a) Financial instruments by category and hierarchy

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

PARTICULARS	As At 31st March 2017			As At 31st March 2016			As At 1st April 2015		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets									
Equity instruments	--	5,345.71	--	--	3,712.86	--	--	3,535.24	--
Preference Share	--	--	103.96	--	--	93.65	--	--	84.37
Loans	--	--	1,042.08	--	--	1,159.38	--	--	1,112.64
Trade receivables	--	--	20,937.45	--	--	18,397.70	--	--	17,418.18
Cash and cash equivalents	--	--	167.75	--	--	241.74	--	--	220.72
Other Bank Balance	--	--	109.59	--	--	101.78	--	--	123.68
Loans	--	--	73.25	--	--	83.87	--	--	95.82
Other financial assets	--	--	00.15	--	--	00.13	--	--	00.13
Total	--	5,345.71	22,434.23	--	3,712.86	20,078.25	--	3,535.24	19,055.54



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial liabilities									
Borrowings	--	--	33,143.56	--	--	34,912.14	--	--	42,003.12
Security deposit	--	--	343.82	--	--	314.07	--	--	291.58
Other Liabilities	--	--	209.99	--	--	209.99	--	--	209.99
Current Borrowings	--	--	46,942.99	--	--	49,925.00	--	--	40,886.20
Trade payable	--	--	9,337.30	--	--	5,029.09	--	--	10,470.46
Unpaid dividend	--	--	105.84	--	--	98.07	--	--	120.14
Due to Employees	--	--	2,287.39	--	--	2,128.43	--	--	1,971.41
Derivative Liability	33.72	--	--	53.68	--	--	6.42	--	--
Current Maturities	--	--	7,949.61	--	--	9,371.32	--	--	14,283.76
Total	33.72	--	100,320.50	53.68	--	101,988.11	6.42	--	110,236.66

(b) Fair value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Equity instruments	5,341.68	--	4.03	3,353.31	--	359.55	3,175.69	--	359.55
Total financial assets	5,341.68	--	4.03	3,353.31	--	359.55	3,175.69	--	359.55
Financial liabilities									
Derivative Liability	33.72	--	--	53.68	--	--	6.42	--	--
Total	33.72	--	--	53.68	--	--	6.42	--	--

Financial assets and liabilities measured at amortised cost for which fair values are disclosed

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Preference Share	--	--	103.96	--	--	93.65	--	--	84.37
Loans	--	--	1,042.08	--	--	1,159.38	--	--	1,112.64
Trade receivables	--	--	20,937.45	--	--	18,397.70	--	--	17,418.18
Cash and cash equivalents	--	--	167.75	--	--	241.74	--	--	220.72
Other Bank Balance	--	--	109.59	--	--	101.78	--	--	123.68
Loans	--	--	73.25	--	--	83.87	--	--	95.82
Other Financial assets	--	--	00.15	--	--	00.13	--	--	00.13
Total Financial assets	--	--	22,434.23	--	--	20,078.25	--	--	19,055.54



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March 2017 (₹ In Lacs)			As At 31st March 2016 (₹ In Lacs)			As At 1st April 2015 (₹ In Lacs)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities									
Borrowings	--	--	33,143.56	--	--	34,912.14	--	--	42,003.12
Security deposit	--	--	343.82	--	--	314.07	--	--	291.58
Other Liabilities	--	--	209.99	--	--	209.99	--	--	209.99
Current Borrowings	--	--	46,942.99	--	--	49,925.00	--	--	40,886.20
Trade payable	--	--	9,337.30	--	--	5,029.09	--	--	10,470.46
Unpaid dividend	--	--	105.84	--	--	98.07	--	--	120.14
Due to Employees	--	--	2,287.39	--	--	2,128.43	--	--	1,971.41
Current Maturities	--	--	7,949.61	--	--	9,371.32	--	--	14,283.76
Total	--	--	100,320.50	--	--	101,988.11	--	--	110,236.66

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

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

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

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

PARTICULARS	As At 31st March 2017 (₹ In Lacs)		As At 31st March 2016 (₹ In Lacs)		As At 1st April 2015 (₹ In Lacs)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Preference Share	103.96	103.96	93.65	93.65	84.37	84.37
Loans	1,042.08	1,042.08	1,159.38	1,159.38	1,112.64	1,112.64
Total financial assets	1,146.04	1,146.04	1,253.03	1,253.03	1,197.01	1,197.01
Financial liabilities						
Borrowings	33,143.56	33,143.56	34,912.14	34,912.14	42,003.12	42,003.12
Other Financial Liabilities						
Security deposit	343.82	343.82	314.07	314.07	291.58	291.58
Total financial liabilities	33,487.38	33,487.38	35,226.21	35,226.21	42,294.70	42,294.70



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

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

48) Financial risk management objectives and policies

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

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

(A) Market risk

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

a) Interest rate risk

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

PARTICULARS	As At	As At	As At
	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)	1st April 2015 (₹ In Lacs)
Variable rate borrowings	82,003.11	88,806.39	92,119.10
Fixed rate borrowings	6,033.06	5,402.07	5,053.98
	<u>88,036.17</u>	<u>94,208.46</u>	<u>97,173.08</u>

Interest rate sensitivity

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	Effect on Profit Before Tax	
	31st March, 2017 (₹ In Lacs)	31st March, 2016 (₹ In Lacs)
Increase by 50 basis points	(410.02)	(444.03)
Decrease by 50 basis points	410.02	444.03

b) Foreign currency risks

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

**i) Particulars of unhedged foreign currency exposure as at reporting date
Spot Rate**

PARTICULARS	As At	As At	As At	As At	As At	As At
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017 (₹ In Lacs)	31st March, 2016 (₹ In Lacs)	1st April, 2015 (₹ In Lacs)
Trade creditors						
-USD	65.60	66.58	62.97	10.75	104.39	116.93
-EUR	70.36	75.86	68.15	13.35	2.06	4.59
-GBP	82.33	95.95	93.31	--	4.39	--
-JPY-100	00.59	00.60	00.53	0.08	--	--
-CHF	65.76	69.58	65.36	1.73	--	4.04

Foreign currency sensitivity

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

PARTICULARS	Effect on Profit Before Tax	
	31st March, 2017 (₹ In Lacs)	31st March, 2016 (₹ In Lacs)
USD Sensitivity		
Decrease by 5%	00.54	5.22
Increase by 5%	(00.54)	(5.22)
EUR Sensitivity		
Decrease by 5%	00.67	00.10
Increase by 5%	(00.67)	(00.10)
GBP Sensitivity		
Decrease by 5%	--	00.22
Increase by 5%	--	(00.22)
JPY Sensitivity		
Decrease by 5%	--	--
Increase by 5%	--	--
CHF Sensitivity		
Decrease by 5%	00.09	--
Increase by 5%	(00.09)	--



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

ii) Foreign currency Exposure (Forward Booking)

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

Category wise Quantitative Date type Contract	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
Forward Contracts Against Export (US \$)	613.00	2,815.00	2,698.00
Forward Contracts Against Import (US \$)	1,021.00	--	--

B) Credit risk

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

Credit risk management

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

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

Financial assets that expose the entity to credit risk: –

Particulars	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
Low credit risk on reporting date			
Cash and cash equivalents	167.75	241.74	220.72
Other bank balances	109.59	101.78	123.68
Trade receivables	20,937.45	18,397.70	17,418.18
Investments	14,634.79	13,127.51	11,846.79
Loans(non-current)	1,042.08	1,159.37	1,112.64
Loans(current)	73.25	83.87	95.82
Other financial asset	00.15	00.13	00.13
	<u>36,965.06</u>	<u>33,112.10</u>	<u>30,817.96</u>
Moderate credit risk	--	--	--
High credit risk	--	--	--

Cash & cash equivalents and bank deposits

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

Trade receivables

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

Gross carrying amount of trade receivables

PARTICULARS	Effect on Profit Before Tax		
	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)	1st April 2015 (₹ In Lacs)
Ageing			
Not due	19,788.69	17,231.56	16,051.21
0-60 days past due	559.85	626.96	873.99
61-120 days past due	228.53	246.94	348.26
121-180 days past due	153.21	136.87	38.15
180-365 days past due	93.32	74.93	34.38
more than 365 days past due	113.85	80.44	72.19

Other financial assets measured at amortized cost

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

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

PARTICULARS	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
Floating rate			
(a) Expiring within one year (Bank overdraft and other facilities)			
Secured			
-Cash credit facilities	16,057.01	13,075.36	17,201.80
(b) Expiring beyond one year (Bank loans)			
Secured			
-Undrawn Rupees term loan from banks	4,553.40	--	8,608.82

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years	Total
Year ended 31 March 2016					
Contractual maturities of borrowings	59,348.64	7,729.50	20,605.05	1,216.19	88,899.38
Loans and advances from related parties (Unsecured)	--	--	5,402.07	--	5,402.07
Contractual maturities of trade payables	5,029.09	--	--	--	5,029.09
Contractual maturities of security deposit received	--	50.65	400.00	--	450.65
Contractual maturities of other financial liabilities	2,128.43	209.99	--	--	2,338.42
Unpaid Dividend	98.07	--	--	--	98.07
TOTAL	66,604.23	7,990.14	26,407.12	1,216.19	102,217.68
Year ended 01 April 2015					
Contractual maturities of borrowings	55,217.67	9,501.12	23,116.54	4,415.55	92,250.88
Loans and advances from related parties (Unsecured)	--	--	5,053.98	--	5,053.98
Contractual maturities of trade payables	10,470.46	--	--	--	10,470.46
Contractual maturities of security deposit received	--	54.26	400.00	--	454.26
Contractual maturities of other financial liabilities	1,971.41	209.99	--	--	2,181.40
Unpaid Dividend	120.14	--	--	--	120.14
TOTAL	67,779.68	9,765.37	28,570.52	4,415.55	110,531.12

49) Dividends Distribution made and proposed

PARTICULARS	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31st March, 2016: ₹ 1 per share (31st March, 2015: ₹ Nil per share)	398.35 81.09	-- --
Dividends Distribution tax on final dividend	479.44	--
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31st March, 2017: ₹ 1 per share (31st March, 2016: ₹ 1 per share)	-- --	398.35 81.09
Dividends Distribution tax on proposed dividend	--	479.44

Under previous GAAP -Proposed dividend and related dividend distribution tax was recognised as a provision in year to which they relate, irrespective of when they are declared, under Ind AS Dividend and relative dividend distribution tax are recognised as a liability in the year in which it is approved by shareholder in the Annual General Meeting of the the company.

50) Capital Management

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

PARTICULARS	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
Borrowings	88,036.16	94,208.46	97,173.08
Trade payables	9,337.30	5,029.09	10,470.46
Less: Cash and cash equivalents	277.34	343.52	344.40
Net debt	97,096.12	98,894.03	107,299.14
Equity	69,705.16	61,402.21	55,835.10
Capital and net debt	166,801.28	160,296.24	163,134.24
Gearing ratio	58.21	61.69	65.77

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2017 and 31st March, 2016.

51) Details of Specified Bank Notes (SBN) held and transacted:-

The details of Specified Bank Notes (SBN) held and transacted during the period from 9th November, 2016 to 30th December, 2016 as provided in the Table below -

PARTICULARS	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	102.07	22.33	124.40
Permitted receipts	--	71.40	71.40
Permitted payments	--	(69.72)	(69.72)
Amount deposited in Banks	(102.07)	--	(102.07)
Closing cash in hand as on 30.12.2016	--	24.01	24.01

52) Corporate Social Responsibility

In accordance with the provisions of section 135 of the Companies Act 2013, the company is covered by the provision of said section:

The details of amount actually spent by the company are as follows:

PARTICULARS	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)
(a) Amount required to be spent	54.89	17.53
(b) Amount spent	--	17.53

The company for its CSR obligation has joined hands with other group companies and agreed to do CSR obligation through a SPV, a recognized Charitable Organization M/s. Oswal Foundation. They are in the process of finalizing Eye Care and Health Care Centre and for which the organization is finalizing the project. The Company would contribute immediately the money of their CSR obligation for that purpose to the said foundation as and when they are ready to go with the project. During the year out of its profit the company has set apart committed CSR liability amounting to ₹ 54.89 Lacs equivalent to its CSR obligation.



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

Note: 53 Details of Associates

Section 129(3) of the Companies Act, 2013, requires preparation of consolidated financial statement of the Group and of all the associate companies in the same form and manner as that of its own. Indian Accounting Standard (Ind AS) 28 on Investments in Associates and Joint Ventures defines Associate Group as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 percent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

(a) Investments in Associates are accounted for using the equity method in Consolidated financial statements.

Name of Entity	% of Ownership Interest	Relationship	Accounting Method	Proportion of Ownership Interest			
				As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)	As At 1st April 2015 (₹ In Lacs)
J.L Growth Fund Limited	41.10%	Associate	Equity Method	2,373.26	2,334.67	1,713.32	1,713.32
Vardhman Investment Limited.	47.17%	Associate	Equity Method	1,646.83	1,623.45	1,494.71	1,494.71
Attam Vallabh Financiers Limited	36.85%	Associate	Equity Method	1,185.54	1,168.72	1,079.41	1,079.41
Cotton County Retail Limited	49.99%	Associate	Equity Method	3,979.49	4,194.14	3,939.75	3,939.75
Total Equity Accounted Investment				9,185.12	9,320.99	8,227.18	8,227.18

(b) Summarised Financial information of the associates. The information disclosed reflects the amounts presented in the financial statement of the relevant associates by using Equity method.

PARTICULARS	J.L Growth Fund Limited		Vardhman Investment Limited		Attam Vallabh Financiers Limited		Cotton County Retail Limited	
	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)	As At 31st March 2017 (₹ In Lacs)	As At 31st March 2016 (₹ In Lacs)
Non-Current Assets	4,420.12	4,465.87	3,034.25	3,034.25	2,713.89	2,713.89	6,610.08	6,017.08
Current Assets								
Cash and Cash equivalents	2.85	22.88	1.07	2.13	2.98	1.60	232.38	375.59
Other Assets	524.74	361.73	278.98	252.48	328.35	284.20	2,273.40	3,171.28
Total Assets	4,947.71	4,850.48	3,314.30	3,288.86	3,045.22	2,999.69	9,115.86	9,563.95
Non-Current Liabilities								
Current Liabilities	9.30	5.96	8.10	7.67	8.15	8.23	746.16	791.89
Total Liabilities	9.30	5.96	8.89	8.28	8.93	9.04	815.48	834.17

(c) Summarised statement of profit and loss

PARTICULARS	J.L Growth Fund Limited		Vardhman Investment Limited		Attam Vallabh Financiers Limited		Cotton County Retail Limited	
	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)	31st March 2017 (₹ In Lacs)	31st March 2016 (₹ In Lacs)
Revenue	115.97	26.26	31.66	7.72	27.51	9.39	3,684.99	2,219.24
Interest Income	32.36	24.48	26.90	26.12	27.22	26.59	569.49	529.02
Depreciation and amortisation	(13.10)	(14.17)	-	-	-	-	(46.28)	(57.57)
Interest Expense	-	-	-	-	-	-	(4.28)	(13.08)
Tax Expense	(8.07)	(5.09)	(7.96)	(8.01)	(8.06)	(8.24)	-	-
Profit and loss for the period	93.89	25.31	49.58	24.83	45.64	26.79	(429.40)	(782.78)
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	93.89	25.31	49.58	24.83	45.64	26.79	(429.40)	(782.78)



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

(c) Movement of Investment using equity Method

PARTICULARS	As At 31 st March, 2017 (₹ In Lacs)	As At 31 st March, 2016 (₹ In Lacs)	As At 1 st April, 2015 (₹ In Lacs)
(a) J.L Growth Fund Limited			
Opening balance of interest in associates	2,334.67	1,713.31	1,684.80
Add:- Transitional provision of investment in associates	--	610.96	--
Add:- Share of profit for the period	38.59	10.40	28.51
Closing Balance of interest in associates	Total 2,373.26	2,334.67	1,713.31
(b) Vardhman Investment Limited			
Opening balance of interest in associates	1,623.45	1,494.71	1,475.00
Add:- Transitional provision of investment in associates	--	117.03	--
Add:- Share of profit for the period	23.38	11.71	19.71
Closing Balance of interest in associates	Total 1,646.83	1,623.45	1,494.71
(c) Atam Vallabh Financiers Limited			
Opening balance of interest in associates	1,168.72	1,079.41	1,066.00
Add:- Transitional provision of investment in associates	--	79.44	--
Add:- Share of profit for the period	16.82	9.87	13.41
Closing Balance of interest in associates	Total 1,185.54	1,168.72	1,079.41
(d) Cotton County Retail Limited			
Opening balance of interest in associates	4,194.15	3,939.75	3,978.92
Add:- Transitional provision of investment in associates	--	645.70	--
Add:- Share of profit for the period	(214.66)	(391.30)	(39.17)
Closing Balance of interest in associates	Total 3,979.49	4,194.15	3,939.75

54) First time adoption as per Ind AS

These are the Group's first Consolidated financial statements prepared in accordance with Ind AS.

These Consolidated financial statements, for the year ended 31st March, 2017 are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2016 the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Group has prepared Consolidated financial statements which comply with Ind AS applicable for the periods ending on 31st March, 2017 together with the comparative period data as at and for the year ended 31st March, 2016 as described in the summary of significant accounting policies. In preparing these Consolidated financial statements, the Group opening balance sheet was prepared as at 1st April, 2015 the Group date of transition to Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Group financial position, financial performance and cash flows is set out in the following tables and notes.



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS Optional exemptions availed.**(a) Deemed Cost**

Under Ind AS paragraph D7 AA of Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and for Investment properties covered by Ind AS 40 Investment Properties.

Accordingly, the Group has elected to measure all of its properties, plant and equipment, Investment property and intangible assets at their previous GAAP carrying values.

(b) Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Paragraph D19B of Ind AS 101 allows such designation of previously recognized financial assets as 'fair value through comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Group has designated its equity investment as at FVOCI on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

(c) Investments in associates

Under Ind AS, Paragraph D14 and D15 of Ind AS 101 permits a first time adopter to elect to continue with the carrying value of its investments in associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP

B. Ind AS Mandatory exceptions**a) Estimates**

An entity's Estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2015 and 31st March, 2016 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Group made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Investment in equity instruments carried at FVOCI

b) Classification and measurement of financial assets.

As required under Ind AS-101 the Group has assessed the classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transaction to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- 1) Reconciliation of Balance sheet as at 1st April, 2015 (Transition Date)
- 2) (a) Reconciliation of Balance sheet as at 31st March, 2016
(b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016
- 3) Reconciliation of Equity as at 1st April, 2015 and as at 31st March, 2016
- 4) Reconciliation of Net Profit as reported Previously referred to as "Previous GAAP" and total comprehensive Income as per Ind AS

The presentation requirement under previous GAAP differ from Ind AS and hence, previous GAAP information has re-grouped for ease of reconciliation with Ind AS. The re-grouped previous GAAP information is derived from the financial statement of the Group prepared in accordance with previous GAAP.



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

1. Reconciliation of Balance Sheet as at 1st April 2015

PARTICULARS	Notes	GAAP (₹ In Lacs)	Ind AS Adjustments (₹ In Lacs)	Ind AS (₹ In Lacs)
Non-current assets				
a)Property, Plant and Equipment	(xiii), (xiv)	61,302.08	(1,434.69)	59,867.39
b)Capital work in progress		3,987.02	--	3,987.02
c)Investment Property	(xiv)	--	1,220.37	1,220.37
d)Other Intangible assets		171.25	--	171.25
e)Financial Assets				
i) Investments	(ii),(ix)	13,856.87	(2,010.08)	11,846.79
ii) Loans	(iv)	1,127.27	(14.63)	1,112.64
f)Other non current assets	(iv),(ix),(xiii)	12.85	229.13	241.98
Total Non-Current Assets		<u>80,457.34</u>	<u>(2,009.90)</u>	<u>78,447.44</u>
Current assets				
a)Inventories		63,967.78	--	63,967.78
b)Financial Assets				
i)Trade receivable		17,418.18	--	17,418.18
ii)Cash and cash equivalents		220.72	--	220.72
iii)Other bank balances		123.68	--	123.68
iv)Loans		95.82	--	95.82
iv) Other Financial assets		00.13	--	00.13
c)Government Grant Receivables		2,198.86	--	2,198.86
d) Current tax assets (Net)		681.39	--	681.39
e)Other current assets	(iv),(ix),(xiii),(xvi)	9,680.08	(250.53)	9,429.55
Total Current Assets		<u>94,386.64</u>	<u>(250.53)</u>	<u>94,136.11</u>
TOTAL ASSETS		<u>174,843.98</u>	<u>(2,260.43)</u>	<u>172,583.55</u>
Equity and Liabilities				
Equity				
a)Equity Share Capital		4,003.42	--	4,003.42
b)Other Equity	(xii)	53,964.52	(2,132.84)	51,831.68
Total Equity		<u>57,967.94</u>	<u>(2,132.84)</u>	<u>55,835.10</u>
Liabilities				
Non-current liabilities				
a)Financial Liabilities				
i)Borrowings	(v)	42,087.19	(84.07)	42,003.12
ii)Other Financial Liabilities	(x)	664.25	(162.68)	501.57
b) Provisions		571.01	--	571.01
c) Deferred tax liabilities (net)	(xvi),(vii)	2,181.01	41.44	2,222.45
d)Other non current liabilities	(x)	--	95.22	95.22
Total Non-current liabilities		<u>45,503.46</u>	<u>(110.09)</u>	<u>45,393.37</u>
Current liabilities				
a)Financial Liabilities				
i) Current Borrowings	(vi)	40,933.91	(47.71)	40,886.20
ii)Trade payables		10,470.46	--	10,470.46
iii)Other Financial Liabilities	(viii)	16,375.31	6.42	16,381.73
b)Other current liabilities	(x)	2,859.45	23.79	2,883.24
c)Provisions	(i)	733.45	--	733.45
Total Current Liabilities		<u>71,372.58</u>	<u>(17.50)</u>	<u>71,355.08</u>
TOTAL EQUITY AND LIABILITIES		<u>174,843.98</u>	<u>(2,260.43)</u>	<u>172,583.55</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

2. (a) Reconciliation of Balance Sheet as at 31st March, 2016

PARTICULARS	Notes	GAAP (₹ In Lacs)	Ind AS Adjustments (₹ In Lacs)	Ind AS (₹ In Lacs)
Non-current assets				
a)Property, Plant and Equipment	(xiii),(xiv)	55,574.15	(1,491.53)	54,082.62
b)Capital work in progress		1,831.38	--	1,831.38
c)Investment Property	(xiv)	--	1,275.94	1,275.94
d)Other Intangible assets		116.88	--	116.88
e)Financial Assets				
i) Investments	(ii),(ix)	14,950.68	(1,823.17)	13,127.51
ii) Loans	(iv)	1,174.18	(14.80)	1,159.38
f)Other non current assets	(iv),(ix),(xiii)	12.85	208.48	221.33
Total Non-Current Assets		<u>73,660.12</u>	<u>(1,845.08)</u>	<u>71,815.04</u>
Current assets				
a)Inventories		65,635.76	--	65,635.76
b)Financial Assets				
i)Trade receivable		18,397.70	--	18,397.70
ii)Cash and cash equivalents		241.74	--	241.74
iii)Other bank balances		101.78	--	101.78
iv)Loans		83.87	--	83.87
iv) Other Financial assets		00.13	--	00.13
c)Government Grant Receivables		2,750.74	--	2,750.74
d)Other current assets	(iv),(ix),(xiii),(xvi)	10,369.24	(920.63)	9,448.61
Total Current Assets		<u>97,580.96</u>	<u>(920.63)</u>	<u>96,660.33</u>
TOTAL ASSETS		<u>171,241.08</u>	<u>(2,765.71)</u>	<u>168,475.37</u>
Equity and Liabilities				
Equity				
a)Equity Share Capital		4,003.42	--	4,003.42
b)Other Equity	(xii)	58,868.45	(1,469.66)	57,398.79
Total Equity		<u>62,871.87</u>	<u>(1,469.66)</u>	<u>61,402.21</u>
Liabilities				
Non-current liabilities				
a)Financial Liabilities				
i)Borrowings	(v)	34,952.81	(40.67)	34,912.14
ii)Other Financial Liabilities	(x)	660.64	(136.58)	524.06
b) Provisions		479.66	--	479.66
c) Deferred tax liabilities (net)	(xvi),(vii)	1,456.01	(735.93)	720.08
d) Other non current liabilities	(x)	--	71.43	71.43
Total Non-current liabilities		<u>37,549.12</u>	<u>(841.75)</u>	<u>36,707.37</u>
Current liabilities				
a)Financial Liabilities				
i) Current Borrowings	(vi)	49,977.32	(52.32)	49,925.00
ii)Trade payables		5,029.09	--	5,029.09
iii)Other Financial Liabilities	(viii)	11,597.83	53.67	11,651.50
b)Other current liabilities	(x)	2,093.83	23.79	2,117.62
c)Provisions	(i)	1,379.04	(479.44)	899.60
d) Current Tax Liabilities (Net)		742.98	--	742.98
Total Current Liabilities		<u>70,820.09</u>	<u>(454.30)</u>	<u>70,365.79</u>
TOTAL EQUITY AND LIABILITIES		<u>171,241.08</u>	<u>(2,765.71)</u>	<u>168,475.37</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

2 (b) Reconciliation of total Comprehensive income for the year ended 31 March 2016

PARTICULARS	Notes	GAAP (₹ In Lacs)	Ind AS Adjustments (₹ In Lacs)	Ind AS (₹ In Lacs)
INCOME				
Revenue from Operations	(xv)	178,264.28	(569.66)	177,694.62
Other Income	(iv),(ix),(x)	452.66	34.42	487.08
Total Revenue		<u>178,716.94</u>	<u>(535.24)</u>	<u>178,181.70</u>
EXPENSES				
Cost of materials consumed		89,768.56	--	89,768.56
Purchases of stock-in-trade		1,006.94	--	1,006.94
Change in inventories of finished goods, stock in trade and work -in-progress		4,199.71	--	4,199.71
Excise duty expense		693.78	--	693.78
Employee benefit expense	(iii)	16,967.42	00.89	16,968.31
Finance costs	(iii),(v),(vi),(viii),(x)	7,762.65	118.56	7,881.21
Depreciation and amortisation expense		8,997.09	1.25	8,998.34
Other expnses	(iv),(ix),(xiii),(xv)	43,713.70	(547.82)	43,165.88
Total expenses		<u>173,109.85</u>	<u>(427.12)</u>	<u>172,682.73</u>
Profit Before share of net profit of investment accounted for using the equity method & Tax		5,607.09	(108.12)	5,498.97
Share of loss of equity accounted investments		(350.45)	--	(350.45)
Profit before tax		<u>5,256.64</u>	<u>(108.12)</u>	<u>5,148.52</u>
Tax expense				
(1) Current tax		2,033.87	--	2,033.87
(2) Deferred tax	(vii)	<u>(725.00)</u>	<u>(106.94)</u>	<u>(831.94)</u>
Profit/(loss) for the period		<u>3,947.77</u>	<u>(1.18)</u>	<u>3,946.59</u>
Other Comprehensive Income				
Items that will not be reclassified to profit or loss (iii)				
(i) Re-measurement gains (losses) on defined benefit plans		--	7.30	7.30
Items that will be reclassified to profit or loss (ii)				
(i) Net gain on FVOCI equity securities		--	177.62	177.62
Total other comprehensive income		--	184.92	184.92
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		3,947.77	183.74	4,131.51



Consolidated Notes to Financial Statements for the year ended 31st March, 2017

3. Reconciliation of Total Equity as at 1st April, 2015 and as at 31st March, 2016

PARTICULARS	Notes	31st March 2016 (₹ In Lacs)	1st April 2015 (₹ In Lacs)
Shareholder's equity as per previous GAAP		62,871.87	57,967.94
Ind AS adjustments			
(i) impact of fair valuation of equity instrument at FVOCI	(ii)	(1,601.13)	(1,778.75)
(ii) Fair valuation of financial assets and financial liabilities at amortised cost	(iv),(v),(ix),(x),(xiii)	(116.37)	(54.99)
(iii) Restatement of Proposed dividend and Dividend tax	(i)	479.45	--
(iv) MTM gain/(loss) on forward contracts	(viii)	(53.68)	(6.42)
(v) Others	(v),(vi),(xiii)	28.90	21.09
(vi) Deferred tax on above Ind AS adjustments	(vii)	16.41	(18.66)
(vii) Deferred tax on share of net profit of investment accounted for using the equity method	(vii)	(223.24)	(295.11)
Total Ind AS adjustments		<u>(1,469.66)</u>	<u>(2,132.84)</u>
Total Equity as per Ind AS		<u>61,402.21</u>	<u>55,835.10</u>

4. Reconciliation of Net Profit as reported Previously referred to as "Previous GAAP" and total comprehensive Income as per Ind AS

PARTICULARS	Note	31st March 2016 (₹ In Lacs)
Profit after tax as reported under Previous GAAP		3,947.77
(i) Measurement of financial assets and financial liabilities at amortised cost	(iv),(v),(ix),(x),(xiii)	(61.38)
(ii) Adjustment for recording actuarial (gains)/losses in OCI	(iii)	(7.30)
(iii) Impact of measuring derivative financial instrument at fair value	(viii)	(47.25)
(iv) Others	(v),(vi),(xiii)	7.81
(v) Deferred tax on above Ind AS adjustments	(vii)	35.07
(vii) Deferred tax on share of net profit of investment accounted for using the equity method	(vii)	71.87
Total Ind AS adjustments		(1.18)
Total profit after tax as per Ind AS		3,946.59
Other comprehensive income (net of tax)	(ii),(iii)	184.92
Total Comprehensive income for the year as per Ind AS		4,131.51

The following explains the material adjustments made while transition from previous accounting standards to Ind AS

(i) Proposed Dividend and tax thereon

Under the previous GAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of the financial statements were considered to be an adjusting event and accordingly recognised (alongwith related dividend distribution tax) as liabilities at the reporting date.

Under Ind AS dividends so proposed by the Board are considered to be non adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised of ₹ 479.44 Lacs as at 31st March, 2016 (₹ Nil as at 1st April, 2015) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

(ii) Fair valuation of Investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments.

Under Ind AS all investments (other than investments in associates) to be measured at fair value at the reporting date and all changes in the fair value have been recognised in retained earnings as at the date of transition and subsequent to the transition date to be recognised in the Other Comprehensive Income. The fair value changes of these investments resulting in decrease in investments by ₹ 1601.13 lacs as at 31st March, 2016 (₹ 1778.75 lacs As at 1st April, 2015) and correspondingly there is increase in other comprehensive income by ₹ 177.62 lacs as at 31st March, 2016 and also decrease in retained earnings by ₹ 1778.75 lacs As at 1st April, 2015.

(iii) Remeasurements of post employment benefit obligation

Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. Under Ind AS, re-measurement i.e. actuarial gain/loss on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. As a result of

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017**

this change, the Comprehensive income increased by ₹ 7.30 lacs corresponding increase in the employment cost of ₹ 7.30 lacs for the year ended on 31st March, 2016. There is no impact on retained earning as at 1st April, 2015.

Under Previous GAAP, the interest cost on defined benefit liability and expected return on plan assets was recognised as employee benefit expenses in the Statement of Profit and Loss.

Under Ind AS, the Company has recognised the net interest cost of ₹ 6.41 lacs on defined benefit plan as finance cost corresponding decrease in the employment cost of ₹ 6.41 lacs for the year ended on 31st March, 2016

(iv) Security deposits Paid

Under Previous GAAP, the security deposits are accounted at an undiscounted value. Under Ind AS, these are carried at amortized cost. The security deposits have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Prepaid expense' which has been amortised over respective term as notional expense under 'other expenses'. The discounted value of the security deposits is increased over the period of respective term by recognising the notional interest income under 'other income'. The effect of this change is decrease in non-current loans under financial assets by ₹ 14.80 lacs as at 31st March, 2016 (₹14.63 lacs as at 1st April, 2015) and increase in other non current assets by ₹11.08 lacs as at 31st March, 2016 (₹11.65 lacs as at 1st April, 2015) and increase in other current assets by ₹ 2.05 lacs as at 31st March, 2016 (₹ 1.73 lacs as at 1st April, 2015). There had been increase in Other income by ₹ 1.35 lacs and other expenses by ₹ 1.76 lacs for the year ended 31st March, 2016 and decrease in retained earnings by ₹ 1.26 lacs as at 1st April, 2015.

(v) Non Current-Borrowings

Under the previous GAAP, transaction costs were charged to the profit and loss as and when incurred. As required under the Ind AS 109 transactions costs incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method corresponding effect being in Long term borrowings. Consequently, borrowings as at 31st March, 2016 have been reduced by ₹40.67 lacs (1st April, 2015- ₹ 84.07 lacs) with a corresponding adjustment to retained earnings resulting in increase in retained earning. The profit under the previous GAAP for the year ended 31st March, 2016 has been reduced by ₹ 43.40 lacs due to increase in finance cost.

(vi) Current Borrowings

Under previous GAAP, renewal/annual charges on cash credit or overdraft facilities need to be straight lined over the period of the facility. In the current practice it was charged to Profit or loss as and when charged by bank not on quarterly basis. Company has adopted the practice to amortise these facility charges over the period of facility in Ind AS and charging to Profit or loss on straight lined basis over the period of the facility, resulting by recognising in their quarterly results as well. The effect of this change is decrease in short term borrowings ₹ 52.32 lacs as at 31st March, 2016. (₹ 47.71 lacs as at 1st April, 2015) and there is decrease in finance cost of ₹ 4.61 lacs as at 31st March, 2016, resulting there is increase in Retained earning by ₹ 47.71 lacs as at 1st April, 2015.

(vii) Deferred taxes

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax assets/liabilities (net) is of increase in deferred tax liability ₹ 313.77 lacs as at 1st April, 2015 and of ₹ 206.83 lacs as at 31st March, 2016 and there had been increase in deferred tax income of ₹ 106.94 lacs as at 31st March, 2016.

(viii) Fair Valuation of Forward Contracts

Under GAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date is provided for. Under Ind AS 109 Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the statement of Profit and Loss. Accordingly, the same has been fair valued resulting in creation of other financial liability by ₹ 53.67 lacs as at 31st March, 2016 (₹ 6.42 lacs as at 1st April, 2015). fair value loss (net) charged in statement of profit or loss under "finance cost" by ₹ 47.26 lacs as at 31st March, 2016 and there is decrease in retained earning by ₹ 6.42 lacs as at 1st April, 2015.

(ix) Zero Coupon Redeemable preference shares

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments.

Under Ind AS, investments in preference shares are measured at amortised cost and have been recognised at discounted values the difference between undiscounted and discounted value has been recognised as "Deferred Power purchase cost" which has been amortised over respective term as power purchase cost under 'Power and fuel Expenses'. The discounted carrying value of the preference shares is increased over the term by recognising the notional income under 'other income'. The effect of this change is decrease in Investments (non current) by ₹ 222.04 lacs as at 31st March, 2016 (₹ 231.33 lacs as at 1st April, 2015) and increase in other non current assets by ₹ 147.34 lacs as at 31st March, 2016 (₹ 161.17 lacs as at 1st April, 2015) and increase in other current assets by ₹ 13.82 lacs as at 31st March, 2016 (₹ 13.82 lacs as at 1st April, 2015). There had been increase in other income by ₹ 9.28 lacs and other expenses by ₹ 13.82 lacs for the year ended 31st March, 2016 and decrease in retained earnings by ₹ 56.34 lacs as at 1st April, 2015.

(x) Security deposits Received

Under Previous GAAP, the security deposits are accounted at transaction value. Under Ind AS, these are carried at amortized cost. The security deposits have been recognised at discounted value and the difference between undiscounted and discounted value has been

**Consolidated Notes to Financial Statements for the year ended 31st March, 2017**

recognised as 'Deferred Income' which has been amortised over respective term as notional interest income under 'other income'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest expense under 'Finance cost'. the effect of this change is decrease in other financial liabilities by ₹ 136.58 lacs as at 31st March, 2016 (₹ 162.68 lacs as at 1st April, 2015) and increase in other non current liabilities by ₹ 71.43 lacs as at 31st March, 2016 (₹ 95.22 lacs as at 1st April, 2015) and increase in other current liabilities by ₹ 23.78 lacs as at 31st March, 2016 (₹ 23.78 lacs as at 1st April, 2015). There had been increase in other income by ₹ 23.78 lacs and finance cost by ₹ 26.10 lacs for the year ended 31st March, 2016 and increase in retained earnings by ₹ 43.67 lacs as at 1st April, 2015.

(xi) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in the Statement of profit and loss as "other comprehensive income" includes fair value gain / loss on FVOCI equity instruments and re-measurement of defined benefit plan. The concept of other comprehensive income did not exist under previous GAAP.

(xii) Retained earnings

Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

(xiii) Leases

- (a) Under previous GAAP, Leasehold Land were classified as Fixed Assets as the standard on leases (AS-19) excluded Land. Under Ind AS 17, where the substantial risks and rewards incidental to ownership of an asset has not been transferred in the name of Company, the Company has classified such land under Operating Leases. The amount paid towards such leases has been shown as Prepayments under Other noncurrent assets and other current assets. amortisation on lease hold land is charged as Rent Expense in statement of profit and loss. The effect of this change is decrease in lease hold land ₹ 187.71 lacs as at 31st March, 2016 (₹ 187.71 lacs as at 1st April, 2015) on account of amortisation of leasehold land recognised in retained earning and there is increase in Other non current assets as "prepaid lease rentals" by ₹ 50.05 lacs as at 31st March, 2016 (₹ 56.31 lacs as at 1st April, 2015). and increase in other current assets as "prepaid lease rentals" by ₹ 6.25 lacs as at 31st March, 2016 (₹ 6.25 lacs as at 1st April, 2015). also results increase in amortisation of lease hold as "rent expense" by ₹ 6.25 lacs as 31st March, 2016 and decrease in retained earning by ₹ 125.14 lacs as at 1st April, 2015.
- (b) Under previous GAAP, as per AS-19 (Leases) where the substantial risks and rewards incidental to ownership of an asset has been transferred in the name of Company and Company has classified such land under finance leases and amortised over a tenure of lease straight line basis. In current practice no amortisation of leases are recognised. Company has adopted the practice to amortise the leasehold land over a tenure of lease on straight line basis. The effect of this change is decrease in lease hold land ₹ 27.86 lacs as at 31st March, 2016 (₹ 26.61 lacs as at 1st April, 2015) on account of amortisation of lease hold land. resulting increase in amortisation of expense by ₹ 1.25 lacs as 31st March, 2016 and decrease in retained earning by ₹ 26.61 lacs as at 1st April, 2015.

(xiv) Investment properties

Under previous GAAP, Land & Building given on lease has been shown as Investment property and disclosed under the head fixed assets. Under Ind AS, Land & Building given on lease are disclosed separately as Investment property on the face of the Balance sheet. The effect of this change is decrease in property, plant and equipment by ₹ 1,275.94 lacs as at 31st March, 2016 (₹ 1,220.37 lacs as at 1st April, 2015) correspondingly increase in invest properties ₹ 1,275.94 lacs as at 31st March, 2016 (₹ 1,220.37 lacs as at 1st April, 2015).

(xv) Discounts and incentives to customers

Under previous GAAP, discounts and incentives to the customers were shown as a part of other expense. Under Ind AS, revenue from sale of products are recognised at net of discounts and incentives to the customers. Thus, sale of products under Ind AS has decreased by ₹ 569.66 lacs with a corresponding decrease in selling expenses.

(xvi) MAT Credit Entitlement

Under previous GAAP, MAT credit entitlement was shown as other current assets. Under Ind AS, MAT credit entitlement is recorded and classified as deferred tax assets/liabilities (net). The effect of this change is decrease in other current assets and deferred tax liabilities (net) by ₹ 942.76 lacs as at 31st March, 2016 (₹ 272.33 lacs as at 1st April, 2015).

(xvii) The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

55 Regrouping and restatement

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

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, 2017

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

PART "B": Associates and Joint Ventures

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

Name of Associates	Cotton County Retail Limited	J L Growth Fund Ltd.	Vardhman Investment Ltd.	Atam Vallabh Financiers Ltd.
1 Latest Audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017	31.03.2017
2 Shares of Associate held by the Company on the year end				
No. of Shares	10,729,474	180,000	250,000	1,64,000
Amount of Investment in Associates (₹ In Lacs)	3,978.92	1,684.80	1,475.00	1,066.00
Extent of holding %	49.99	41.10	47.17	36.85
3 Description of how there is significant influence	(i) There is significant influence due to percentage (%) of Share Capital. (ii) The above statement also indicate performance and financial position of each associate companies.			
4 Reason why associate is not consolidated	Not Applicable			
5 Net Worth attributable to shareholding as per latest audited Balance Sheet (₹ in Lacs)	4,149.36	2,029.69	1,582.55	1,118.87
6 Profit/(Loss) for the year After Tax (₹ in Lacs)				
Considered in consolidation	(214.66)	38.59	23.38	16.82
Not considered in consolidation				

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
(DIN : 00499670)
Director

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

Place : Ludhiana

Dated :30th May, 2017

**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 33rd Annual General Meeting of the Company to be held on Tuesday, the 26th day of September, 2017 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, 2017 and the Reports of Auditors and Directors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31 st March, 2017 and the Report of Auditors thereon.			
2.	To declare dividend on Equity Shares for the year ended on 31 st March, 2017.			
3.	To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
4.	To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.			
5.	To appoint Auditors of the Company and fix their remuneration.			
6.	To appoint Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576) as an Independent Director of the Company.			
7.	To appoint Dr. Amrik Singh Sohi (DIN: 03575022) as an Independent Director of the Company.			
8.	To appoint Sh. Ajit Singh Chatha (DIN: 02289613) as an Independent Director of the Company.			
9.	To appoint Sh. Suresh Kumar Singla (DIN: 00403423) as an Independent Director of the Company.			
10.	To re-appoint Sh. Kamal Oswal (DIN: 00493213) as Managing Director.			
11.	To approve the remuneration of cost auditor for the financial year 2017-18.			
12.	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.			

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 19th September, 2017 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 25th September, 2017 (5.00 P.M.). Ballot Form received after 25th September, 2017 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.ownnahar.com and on the website of the Central Depository Services (India) Ltd. within two days of the passing of the Resolutions at the AGM of the Company on 26th September, 2017, 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 33rd Annual General Meeting of the Company being held on Tuesday, the 26th day of September, 2017 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 33rd Annual General Meeting of the company, to be held on Tuesday, the 26th day of September, 2017 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:

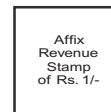


Item No.	Resolution	Optional*	
		(For)	(Against)
1.	To receive, consider and adopt : (a) the Audited Financial Statements of the Company for the financial year ended on 31 st March, 2017 and the Reports of Auditors and Directors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31 st March, 2017 and the Report of Auditors thereon.		
2.	To declare dividend on Equity Shares for the year ended on 31st March, 2017.		
3.	To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
4.	To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
5.	To appoint Auditors of the Company and fix their remuneration.		
6.	To appoint Dr. (Mrs) Harbhajan Kaur Bal (DIN: 00008576) as an Independent Director of the Company.		
7.	To appoint Dr. Amrik Singh Sohi (DIN: 03575022) as an Independent Director of the Company.		
8.	To appoint Sh. Ajit Singh Chatha (DIN: 02289613) as an Independent Director of the Company.		
9.	To appoint Sh. Suresh Kumar Singla (DIN: 00403423) as an Independent Director of the Company.		
10.	To re-appoint Sh. Kamal Oswal (DIN: 00493213) as Managing Director.		
11.	To approve the remuneration of cost auditor for the financial year 2017-18.		
12.	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.		

Signed this day of 2017

Signature of shareholder :

Signature of Proxy holder(s) :

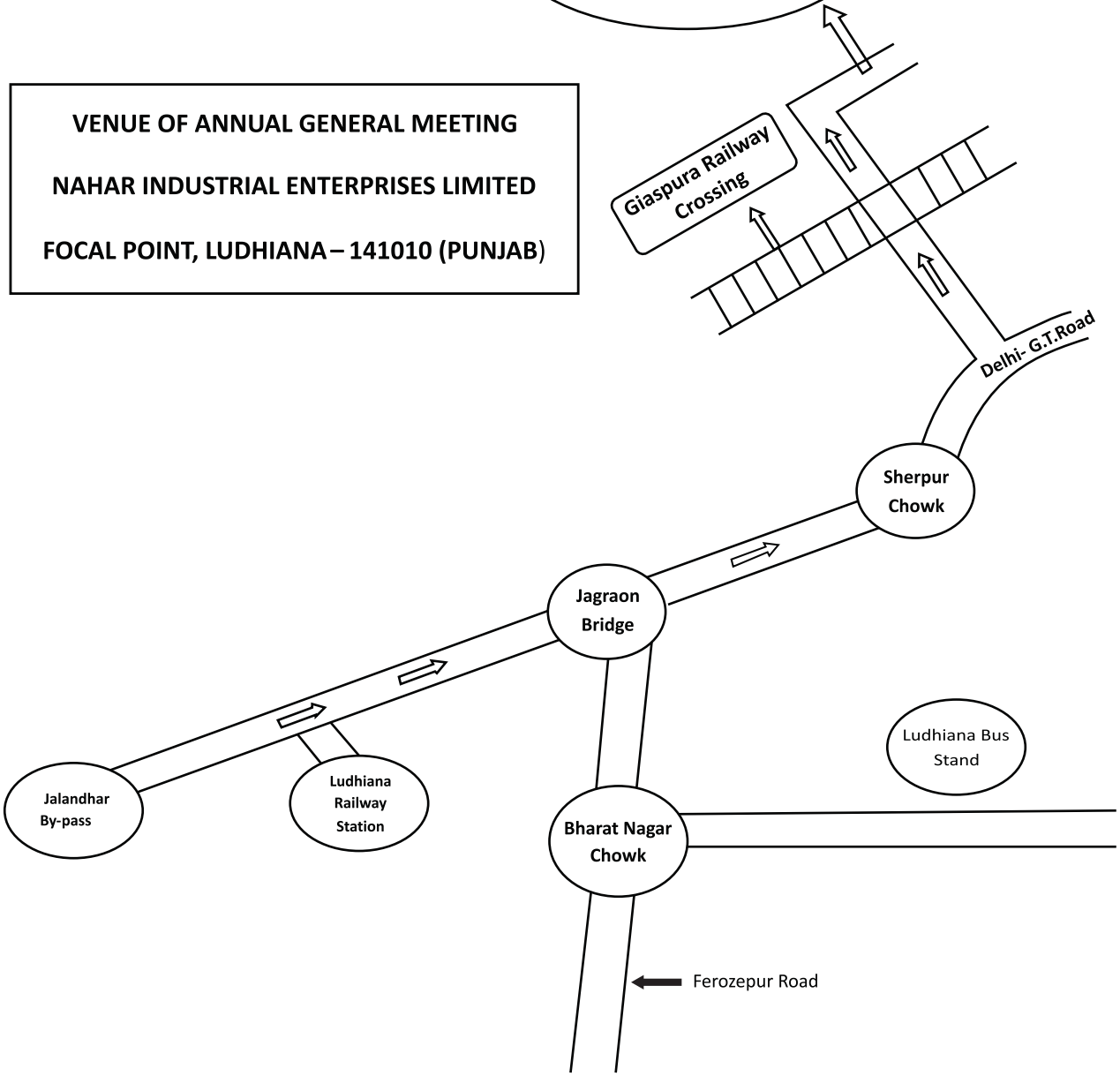


Note:

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 33rd 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