



The Nahar Group

**37TH
ANNUAL
REPORT
2020-21**



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. Abhinav Oswal, Executive Director
Sh. Dinesh Gogna, Director
Sh. Navdeep Sharma, Director
Dr. Vijay Asdhir, Independent Director
Dr. Suresh Kumar Singla, Independent Director
Mrs. Manisha Gupta, Independent Director
Dr. Roshan Lal Behl, Independent Director
Sh. Parvinder Singh Pruthi, Independent Director
Sh. Ved Parkash Gaur, Independent Director

CHIEF FINANCIAL OFFICER

Sh. Bharat Bhushan Gupta

COMPANY SECRETARY

Sh. Mukesh Sood

AUDITORS

M/s. K.R. Aggarwal & Associates,
Chartered Accountants,
SCO 549/10 (1st Floor), Sutlej Tower, Near Fountain Chowk
Opp. Petrol Pump, Cemetery Road,
Ludhiana (Punjab) – 141001

BANKERS

State Bank of India	Canara Bank
Punjab National Bank	Punjab & Sind Bank
Indian Bank	IDBI Bank Ltd.
Union Bank of India	

REGISTERED Office

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

CORPORATE IDENTIFICATION NUMBER (CIN): CIN: L15143PB1983PLC018321

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Performance at a glance

(Rs. in Lacs)

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Gross sales/operating income	173,166.89	176,274.88	186,616.24	157,272.70	141,802.66
Exports	16,040.55	16,578.04	30,486.95	21,346.86	26,966.15
Net Profit	7,013.48	1,722.14	(2,157.52)	(2,537.34)	(913.24)
Cash Accruals	15,529.35	8,357.71	6,105.96	3,851.70	4,471.24
Gross Block including CWIP	198,241.39	202,058.19	204,470.73	201,276.42	202,273.59
Net Block including CWIP	60,101.15	60,447.45	60,688.05	57,952.65	54,520.35
Equity Share Capital	4,003.42	4,003.42	4,003.42	4,003.42	4,003.42
Net Worth	68,920.83	69,642.71	69,390.03	73,466.09	73,415.03
Capital Employed	110,609.76	109,376.80	103,499.31	94,715.83	91,273.89
Debt Equity Ratio	0.48	0.44	0.33	0.2	0.18
Current Ratio	1.41	1.31	1.28	1.28	1.33
Book Value per share (₹)	173.01	174.83	174.19	184.43	184.30
Earning per share (₹) [Basic]	17.61	4.32	(5.42)	(6.37)	(2.29)

The Journey

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

For Attention of Shareholders

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

**NOTICE**

Notice is hereby given that the **37th Annual General Meeting** of the members of **Nahar Industrial Enterprises Limited** will be held on **Wednesday, the 29th day of September, 2021 at 2.30 p.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Financial Statements of the Company for the financial year ended on 31st March, 2021 and the Reports of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2021 and the Reports of Auditors thereon.
2. To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To approve the remuneration of cost auditor for the financial year 2021-22** and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. R.R. & Co., Cost Accountants, Ludhiana (Firm Registration No. 000323) who has been appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost accounting records of the Company for Textile and Sugar segments for the financial year ending 31st March, 2022, 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."

5. **To appoint Dr. Inder Mohan Chhibba (DIN: 07913491) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 149, 150, 152 and 164 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment & Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and on the recommendation of Nomination & Remuneration Committee, Dr. Inder Mohan Chhibba (DIN: 07913491), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) years up to 29th September, 2026."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded for the continuation of directorship of Dr. Inder Mohan Chhibba as an Independent Director of the Company after he attains the age of 75 years during the course of his term of appointment."

"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."

6. **To enter into an Agreement/Contract/Transaction with Related Parties** and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent and approval of the Company be and is hereby accorded to the Board of Directors to enter into an Agreement/Contracts/Transaction with Related Parties namely Oswal Woollen Mills Limited, Nahar Spinning Mills Limited, Monte Carlo Fashions Limited and Vanaik Spinning Mills Ltd. for sale and purchase of yarn, fabrics, garments and job work etc. for a period of five years w.e.f. 1st April, 2022 which may be renewed with the mutual consent of the parties."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such



acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution.”

By Order of the Board of Directors

sd/-

Place : Ludhiana

Mukesh Sood

Date : 9th August, 2021

Company Secretary

NOTES:

1. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 02/2021 dated 13th January 2021 decided to allow Companies to conduct AGMs through Video Conferencing(VC) or Other Audio Visual Means (OAVM) in accordance with requirements provided in paragraphs 3 and 4 of General Circular No. 20/2020 dated 5th May, 2020 and any other applicable circulars issued by the MCA & Securities and Exchange Board of India (SEBI). In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 37thAGM of the Company shall be conducted through VC/ OAVM. The Central Depository Services (India) Limited ('CSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 17.
2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the notice.
3. 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.
4. Since the physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Attendance Slip, Route Map and Proxy Form are not annexed to this Notice. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
5. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM and Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice will also be available on the Company's website at www.ovmnaahar.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on website of the e-voting agency i.e. Central Depository Services (India) Limited at www.evotingindia.com.
6. For purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the email address is not registered with the respective DPs / Company / RTA, we urge members to support the Green Initiative of the Government of India (GOI) by choosing to receive the communication from the Company through email. So, in case you wish to register/ update your address, Email id or Bank Mandate etc, you can do the same. Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in dematerialized form and with Company/ RTA in case the shares are held by them in physical form. Members may register the Email IDs using the facility provided by the company through the following link available on its website: https://www.ovmnaahar.com/naahar_ie/shareholder-email-updation.php
7. Institutional / 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.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September, 2021 to 29th September, 2021 (both days inclusive) for the purpose of AGM.
9. 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.
10. 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, RTA for both physical and dematerialized segment of equity shares. Please quote on all correspondence – Unit: Nahar Industrial Enterprises Limited.
11. Pursuant to provisions of section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (the IEPF Rules), all shares in respect of which dividend has not been claimed by the shareholders of the Company for seven consecutive years, have already been transferred by the Company in the name of INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY, MINISTRY OF CORPORATE AFFAIRS. Members are hereby informed to claim the unclaimed / unpaid dividend relating to 2013-14 at the earliest, as the same is due



to be transferred to IEPF on 5.11.2021.

- 12. 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.
- 13. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 26, 2017.
- 14. **DEMATERIALIZATION OF SHARES:** SEBI vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that w.e.f. April 1, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In light of same shareholders are requested to kindly convert their physical shares in Demat form to avoid hassle in transfer of shares.
- 15. **CONSOLIDATION OF MULTIPLE FOLIOS:** Members holding more than one share in the same name or joint names in the same order but under different ledger folios are requested to apply for consolidation of such folios into a single folio and accordingly send a request letter duly signed by the shareholder and the relevant share certificates along with the self attested copy of PAN card and Aadhaar card to the Registrars and Share Transfer Agent (RTA) of the Company /Company at its Registered Office, to enable them to consolidate all such multiple folios into one single folio.
- 16. M/s. P.S.Bathla & Associates, Company Secretaries (Membership No. FCS-4391) has been appointed as the Scrutinizer for conducting the Remote e-voting process in a fair and transparent manner.
- 17. **Procedure for remote e-voting, attending the AGM and e-voting during the AGM:**
 - i. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the

shareholders.

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

- ii. In terms of **SEBI** circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.. Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the voting menu, the user will be able to see his/her holdings alongwith links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cds



<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>lindia.com/myeasi./Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p> <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/</p>	<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.</p>			
<p>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL</p>			
<p>Login type</p> <p>Individual Shareholders holding securities in Demat mode with CDSL</p> <p>Individual Shareholders holding securities in Demat mode with NSDL</p>		<p>Helpdesk details</p> <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.</p> <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>	



A. Procedure and instructions for remote e-voting:

- 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 37th 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.
- III. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 26.09.2021 (09.00 a.m.) and ends on 28.09.2021 (05.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - (iv) Click on "Shareholders" module.
 - (v) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
Or

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST eservices, click on e-Voting option and proceed directly to cast your vote electronically
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <p>(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. ● If the sequence number is less than 8 digits; enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. The persons entitled to vote on cut-off date may obtain details of sequence number from the company/RTA.
Dividend Bank Details or Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to Login.</p> <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank Details field as mentioned in instructions (v).

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



- utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN 210826036 for the relevant NAHAR INDUSTRIAL ENTERPRISES LIMITED on which you choose to vote.
 - (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) If Demat account holder has forgotten the 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.
 - (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
 - (xx) Note for Non-individual Shareholders and Custodian:-
 - Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com
 - 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.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; share@owmnahar.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for those shareholders whose email addresses / mobile numbers are not registered with the company depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at the email id i.e. share@owmnahar.com
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- iv. The Company Secretary shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

B. Procedure and instructions for attending the AGM through VC / OAVM

- i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of the Company will be displayed.
- ii) The participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.



- iii) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number along with their queries at share@owmnahar.com upto 22.09.2021. Those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting. These queries will be replied to by the company suitably by email.
- iv) Members are requested to not to share the Login details (User Id & Password) with any person and keep the same confidential with you only. Sharing of Login details is absolutely prohibited. Please note that the Members who do not have the User ID and Password for attending AGM through VC/OAVM and e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned herein.
- v) For convenience of the Members and proper conduct of AGM, Members are requested to login and join at least 15 (fifteen) minutes before the time scheduled for the AGM i.e. 11.30 AM IST. The link for joining the AGM shall be kept open until 12.00 Noon IST i.e. 15 (fifteen) minutes after the start AGM.
- vi) Any person who acquires shares of the Company and becomes the member of the Company after sending of this Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he/she can use his / her existing user id and password.

C. Procedure and instructions for Members for e-voting during the AGM

- i) The procedure to be followed for e-voting on the day of The AGM will be the same mentioned above for remote e-voting.
- ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- iii) Only those Members, who are present at the AGM through VC /OAVM and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting during the AGM.
- iv) If any votes are cast by the Members through the e-voting facility available during the AGM and if the said Members have not participated in the AGM through VC / OAVM facility, then the votes cast by such Members shall be

considered invalid as the facility of e-voting during the AGM is available only to the Members attending AGM.

- v) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- IV. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder at 022-23058738 or Mr. Mehboob Lakhani at 022-23058543 or Mr. Rakesh Dalvi at 022-23058542.
- V. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.
- VI. 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 22.09.2021.
- VII. A copy of this notice has been placed on the website of the Company and the website of CDSL.

D. General Instructions

- i) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22.09.2021.
- ii) The Scrutinizer after scrutinizing the votes cast at the meeting through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company i.e. www.owmnahar.com and on the website of CDSL i.e. www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
- iii) The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

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

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

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. R.R.& Co., Cost Accountants, Ludhiana as Cost Auditors to



conduct the audit of the cost accounting records of Textile and Sugar segments of the Company for the financial year ending 31.3.2022 at such remuneration, as mentioned in the resolution.

In accordance with the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.3.2022.

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.

The Board recommends the passing of Ordinary resolution set out at Item No. 4 of the Notice for approval of the members.

Item No. 5

The Board, based on the recommendation of Nomination & Remuneration Committee, and its meeting held on 09.08.2021 recommend to the shareholders, the appointment of Dr. Inder Mohan Chhibba (DIN: 07913491) as an Independent Director of the Company w.e.f. 29th September, 2021 for a period of 5 (five) years, pursuant to the provisions of the Companies Act, 2013.

Dr. Inder Mohan Chhibba (DIN: 07913491) is 73 years of age. He is M.Sc (Soils) and Ph.D (Soil Sci & Agri. Chem). He is having more than 36 years of experience in Teaching and extension activities of the Punjab Agricultural University (PAU) Ludhiana. Presently, he is involved in the outreach activities and farmer advisements through organizing workshops and training courses. Having regard to his vast expertise and knowledge, it will be in the interest of the Company to appoint him as an Independent Director.

The Company has received from Dr. Inder Mohan Chhibba (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Inder Mohan Chhibba fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is independent of Management and possesses appropriate skills, experience and knowledge. Copy of the notice received in writing from a member proposing the candidature and other documents are available for inspection by the members.

As per Regulation 17(1A) of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019 no listed company shall appoint or continue the directorship of an Independent Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering that during the course of term of appointment of Dr. Inder Mohan Chhibba as Independent Director, he would attain the age of 75 years, it is necessary to approve continuation of his directorship on the Board of Directors of the Company by way of a Special resolution.

Dr. Inder Mohan Chhibba does not hold any shares in the Company, by himself or for any other person on a beneficial basis.

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

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

The Board recommends the passing of Special resolution set out at Item No. 5 of the Notice for approval of the members.

Item No. 6

Oswal Woollen Mills Limited, Nahar Spinning Mills Limited, Monte Carlo Fashions Limited and Vanaik Spinning Mills Limited are related parties as per section 2(76) and 188 of the Companies Act, 2013. These Companies buy/ sell yarns and fabrics from/ to the Company. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are in ordinary course of Business and are at arm's length basis and are entered into as per the Company's policy on Related Party Transactions. The transactions entered with related parties are approved by the Audit Committee and the Board of the Company. The Company has already obtained the approval of members to enter into agreement/ contract/ transactions with these related parties for a period of five years w.e.f. 01.04.2017 to 31.03.2022. It is expedient and necessary to seek shareholders approval as per the provisions of section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 23 of the SEBI (LODR) Regulations, 2015, for material related party transactions for a period of 5 years w.e.f. 01.04.2022 till 31.03.2027.



The Board recommends the passing of Ordinary resolution set out at Item No. 6 of the Notice for approval of the members.

Sh. Jawahar Lal Oswal, Chairman, Sh. Kamal Oswal, Vice Chairman-cum-Managing Director, Sh. Dinesh Oswal, Director, Sh. Abhinav Oswal, Executive Director, being the promoters and directors; Sh. Rishabh Oswal, Sh. Dinesh Gogna, Mrs. Manisha Gupta, Sh. Suresh Kumar Singla, being the common directors; and Mrs. Manisha Oswal being the

relative of the promoters of the said companies, may be deemed to be concerned / interested in the said resolution. None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

By Order of the Board of Directors

sd/-

**Place : Ludhiana
Date : 9th August, 2021**

**Mukesh Sood
Company Secretary**

ANNEXURE TO THE NOTICE

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

Name of Director, Designation and Brief Resume	Nature of Expertise in Specific Functional Areas	Details of Directorships and Committee positions in various companies			Share-holding in the company	Relation-ship between Directors inter-se	Terms and Conditions of Appointment	Other Details
		Directorships	Committees	Status				
Sh. Jawahar Lal Oswal (DIN:00463866) Age: 78 years Promoter Director Qualification: Commerce Graduate	59 years of experience in textile Industry	Oswal Woollen Mills Ltd.	CSR Shareholders	Chairman Chairman	1000	Relative of Sh. Kamal Oswal, Sh. Dinesh Oswal and Sh. Abhinav Oswal	Liable to retire by rotation Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : 14.10.1991 Remuneration last drawn : Rs. 10,000/- per Board meeting. No. of Board meetings attended during last year : 5 (five)
		Monte Carlo Fashions Ltd.	CSR Share Transfer	Chairman Chairman				
		Nahar Poly Films Ltd.	---	---				
		Nahar Capital & Financial Services Ltd.	---	---				
		Nahar Industrial Enterprises Ltd.	---	---				
		Nahar Spinning Mills Ltd.	---	---				
		Nagdevi Trading & Investment Co. Ltd.	---	---				
		Sankheshwar Holding Co. Ltd.	---	---				
		J L Growth Fund Ltd.	---	---				
		Crownstar Ltd. UK	---	---				
		Nahar Growth Fund Pvt. Ltd.	---	---				
		Abhilash Growth Fund Pvt. Ltd.	---	---				
Palam Motels Ltd.	---	---						



NAHAR INDUSTRIAL ENTERPRISES LIMITED

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Name of Director, Designation and Brief Resume	Nature of Expertise in Specific Functional Areas	Details of Directorships and Committee positions in various companies			Share-holding in the company	Relation-ship between Directors inter-se	Terms and Conditions of Appointment	Other Details
		Directorships	Committees	Status				
Sh. Dinesh Oswal (DIN:00607290) Age: 56 years Promoter Director Qualification: Commerce Graduate	36 years of experience in textile Industry	Nahar Spinning Mills Ltd.	Share Transfer CSR	Chairman Chairman	1000	Relative of Sh. Jawahar Lal Oswal and Sh. Kamal Oswal	Liable to retire by rotation Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : 15.12.1988 Remuneration last drawn : Sitting Fee @ Rs. 10,000/- per Board meeting. No. of Board meetings attended during last year : 6 (six)
		Nahar Poly Films Ltd.	Share Transfer CSR	Chairman Chairman				
		Nahar Capital & Financial Services Ltd.	Share Transfer CSR	Chairman Chairman				
		Nahar Industrial Infrastructure Corpn. Ltd.	---	---				
		Oswal Woollen Mills Ltd.	---	---				
		Nahar Industrial Enterprises Ltd.	---	---				
		Crownstar Ltd. UK	---	---				
		Abhilash Growth Fund Pvt. Ltd.	---	---				
		Sankheshwar Holding Co. Ltd.	---	---				
Dr. Inder Mohan Chhibba (DIN: 07913491) Independent Director Age: 73 years Qualification: M.Sc (Soils) and Ph.D (Soil Sci & Agri. Chem).	More than 36 years of experience in the field of academics.	Nahar Poly Films Ltd.	Nomination & Remuneration	Member	Nil	Nil	Not liable to retire by rotation. Sitting Fees to be paid for attending Meetings of the Board	Nil
		Cotton County Retail Ltd.	Audit Nomination & Remuneration	Member Member				

By Order of the Board of Directors
sd/-

Place : Ludhiana
Date : 9th August, 2021

Mukesh Sood
Company Secretary



DIRECTORS REPORT

Dear Members,

Your directors have pleasure in presenting their 37th Annual Report together with the audited financial statements for the financial year ended 31st March, 2021.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2021 is summarized below: (₹ in Lacs)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Revenue from operations	141,802.66	157,272.70	141,802.66	157,272.70
Profits Before Depreciation, Finance Cost and Tax	10,194.04	10,321.11	10,194.04	10,321.11
Less: Depreciation	5,762.01	7,097.98	5,762.01	7,097.98
Less: Finance Cost	5,722.80	6,469.41	5,722.80	6,469.41
Loss Before Tax	(1,290.77)	(3,246.28)	(1,290.77)	(3,246.28)
Less: CSR expenses u/s 135 of Companies Act,2013	---	(68.14)	---	(68.14)
Add : Share of Profit/(Loss) of equity accounted investments	---	---	51.49	1.38
Loss Before Tax	(1,290.77)	(3,314.42)	(1,239.28)	(3,313.04)
Less: Tax Expense (Including Deferred Tax)	(377.53)	(777.08)	(361.62)	(774.45)
Loss After Tax for the period	(913.24)	(2,537.34)	(877.66)	(2,538.59)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
i) Re-measurement gains/ (losses) on defined benefit plans	141.19	363.17	141.19	363.17
Income tax effect on the same	(49.33)	(126.90)	(49.33)	(126.90)
ii) Net gain / (loss) on FVOCI equity instruments	0.94	(0.11)	0.94	(0.11)
Income tax effect on the above	---	---	---	---
Total Comprehensive Income for the period	(820.44)	(2,301.18)	(784.86)	(2,302.43)

2. PERFORMANCE REVIEW

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

i) **Textile:** The textile division accounts for 86.12% (including inter-segment) of the total turnover of the company for the year ended 31st March, 2021. The Business wise performance of this segment is as under:

a. **Yarn:** The Company has produced 49,643 MTs of yarn as against 51,233 MTs in the previous year.

b. **Fabric:** The Company has produced 474.28 lacs meters of fabrics (both grey and processed) as against 790.89 lacs meters in the previous year.

The total turnover of this segment (Yarns and Fabrics) has decreased to Rs. 1207.35 crores as against Rs. Rs. 1379.48 crores in the previous year showing a decrease of 12.48%.

ii) **Sugar:** The Company has produced 3,86,980 qtl. Qtls. of sugar as against 4,54,730 Qtls. in the previous year at a Recovery rate of 10.01% (previous year 10.38%).

The total turnover of this segment has increased to Rs. 193.96 crores as against Rs. 181.19 crores in the previous year showing an increase of 7.05%.

Overall Performance (Standalone/Consolidated)

We wish to inform you that during the year under review on standalone basis, the company has achieved operational income of Rs. 1418.03 crores as against Rs. 1572.73 crores showing a decrease of 9.84 % over the previous year. The company has earned Profit before depreciation, finance cost and tax of Rs. 101.94 crores as against Rs.103.21 crores in the previous year. After providing for Depreciation of Rs. 57.62 crores (previous year Rs. 70.98 crores), finance cost of Rs. 57.23 crores (previous year Rs. 64.69 crores) and Tax Expenses of Rs. (3.78) crores (previous year Rs. (7.77) crores) (inclusive of Deferred Tax) the Loss for the year comes to Rs. 9.13 crores as against Loss of Rs. 25.37 crores in the previous year.



We wish to inform you that during the year under review on consolidated basis, the company has achieved operational income of Rs. 1418.03 crores as against Rs. 1572.73 crores showing a decrease of 9.84 % over the previous year. The company has earned Profit before depreciation, finance cost and tax of Rs. 101.94 crores as against Rs. 103.21 crores in the previous year. After providing for Depreciation of Rs. 57.62 crores (previous year Rs. 70.98 crores), finance cost of Rs. 57.23 crores (previous year Rs. 64.69 crores), share of profit/(Loss) of equity accounted investments of Rs. 51.49 lacs and Tax Expenses of Rs. (3.62) crores (previous year Rs. (7.74) crores) (inclusive of Deferred Tax) the Loss for the year comes to Rs. 8.78 crores as against Loss of Rs. 25.39 crores in the previous year.

During the year under review your company faced unprecedented challenges due to global economic slowdown and weak demand in domestic markets. The Company couldn't remain immune to the adverse business conditions. The Board and the Management of the company will continue to monitor the situation as it evolves and do its best to take all necessary measures in the interest of all stakeholders of the company.

3. TRANSFER TO RESERVES

Your company has transferred Rs. (8.20) lacs [previous year Rs. (23.01) lacs] from the General Reserves.

4. CREDIT RATING

The Rating Committee of ICRA Limited has retained the long-term rating of [ICRA]BBB+ (pronounced ICRA triple B plus) and short-term rating of [ICRA]A2 (pronounced ICRAA two). Outlook on the long-term rating is stable.

5. DIVIDEND

Due to loss suffered by the Company, your directors express their inability to recommend dividend for the financial year ended on 31st March, 2021.

6. INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act 2013 and rules framed there under, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid account is required to be transferred to Investor Education and Protection Fund (IEPF) of the Central Government. The Company has already transferred the amount of unclaimed dividend for the year 2012-13 to the IEPF. Members who have not yet en-cashed or claimed the dividends for the year 2013-14 onwards are requested to contact the Company at the earliest.

In terms of the requirements of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('the Rules') the Company is required to transmit the Shares in respect of which the dividend has remained unpaid or

unclaimed for a period of seven consecutive years to the IEPF Account. Members are requested to take note of the same and claim their unclaimed dividend immediately to avoid transmission of the underlying shares to IEPF Account. The shares transmitted to the IEPF Account can be claimed back by the concerned members from the IEPF authority after complying with the procedure prescribed under the rules. The details of shareholders, whose shares are proposed to be transferred in November, 2021 to IEPF Authority is available on company's weblink: www.ownahar.com/nahar_ie/transfer-of-equity-shares.phb.

7. SHARE CAPITAL

During the year 2020-21, the Company has allotted 10,00,000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 100/- each aggregating to Rs. 10,00,00,000/- to Nahar Capital & Financial Services Limited, the promoter group entity. The company has utilized the amount for the purposes it was raised. As on 31st March, 2021 the paid up Share Capital of the Company is Rs. 156,03,51,410/- consisting of Equity Share Capital of Rs. 39,83,51,410/- and Preference Share Capital of Rs. 116,20,00,000/-. During the year under review, the Company has not granted any stock options or sweat equity. As on 31st March, 2021 none of the Promoters / Directors of the Company hold instruments convertible into equity shares of the Company.

8. DEPOSITS

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

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

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

10. MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

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

11. DIRECTORS

Appointment and change in of Directors

- In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Sh. Jawahar Lal Oswal (DIN: 00463866) and Sh. Dinesh Oswal (DIN: 00607290), Directors of the Company will be retiring by rotation at the forthcoming Annual General Meeting and being



eligible offer themselves for re-appointment. Accordingly, the requisite resolution(s) are proposed at the ensuing Annual General Meeting for approval.

- The term of Dr. Vijay Asdhir (DIN: 06671174), Independent Director, comes to an end on this Annual General Meeting. He will cease to be director of the Company at the conclusion of this Annual General Meeting. The board places on record its appreciation for the valuable contribution received from him.
- Pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Qualifications of Directors) Rules, 2014, the Company is appointing Dr. Inder Mohan Chhibba (DIN: 07913491) as an Independent Director of the Company for the term of 5 (five) consecutive years upto conclusion of 29th September, 2026.

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 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

The Ministry of Corporate Affairs vide Notification No. G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs ('IICA'). All Independent Directors of your Company are registered with IICA.

Number of Meetings of the Board

During the year six Board Meetings were convened and held on 14.5.2020, 30.06.2020, 14.08.2020, 12.11.2020, 12.02.2021 and 20.03.2021. 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 2020-21, the Independent Directors met on 12th December, 2020, 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.

A meeting of Independent Directors was also held on 20th March, 2021 to consider the proposal and to submit report on the proposed Scheme of Arrangement for Amalgamation of Cotton County Retail Ltd. with the Company.

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, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 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. ANNUAL RETURN

The web-link for the Annual Return placed on the Company's website is https://www.ownahar.com/nahar_ie/pdf/annual-return.pdf.

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.ownahar.com/nahar_ie/pdf/RPT_Policy.pdf. The details of Related Parties transactions are given in Note No. 38 of the Notes to Financial Statements. Pursuant to the provisions of section 134(3) Form AOC-2 is annexed herewith as **Annexure-A**.

15. AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, due to completion of 2nd term of Dr. (Mrs) Harbhajan Kaur Bal and Dr. Amrik Singh Sohi as Independent Director, the Audit Committee was re-constituted with the induction of Dr. Manisha Gupta and Dr. Roshan Lal Behl as Members. Presently, the Audit Committee consists of Sh. Dinesh Gogna, Dr. Manisha Gupta and Dr. Roshan Lal Behl 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. NOMINATION & REMUNERATION COMMITTEE

The Company has constituted a Nomination & Remuneration Committee pursuant to Section 178(1) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, due to completion of 2nd term of Dr. (Mrs) Harbhajan Kaur Bal as an Independent Director, the Nomination & Remuneration Committee was re-constituted with the induction of Dr. Roshan Lal Behl as Member. Presently, the Nomination & Remuneration Committee consists of Dr. Suresh Kumar Singla and Dr. Roshan Lal Behl as Members and Dr. Vijay Asdhir is the Chairman of the Nomination & Remuneration Committee. The detailed information regarding Nomination & Remuneration Committee and its terms of reference is given in Corporate Governance Report forming an integral part of the Directors Report.

17. 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.

18. 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.

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

The Indian Accounting Standard (Ind AS) became applicable on the Company w.e.f. 01st April, 2016. Accordingly, the Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

20. COMPLIANCE WITH SECRETARIAL STANDARDS

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

21. 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.

22. 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. OSF has already undertaking various activities as contemplated under Schedule VII of the Companies Act, 2013. Accordingly, your company has been undertaking various CSR activities through OSF in addition to directly meeting the CSR obligations. The company is working proactively with OSF to finalize the projects and identify the new projects for fulfilling its CSR obligations.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, for the financial year 2020-21 there is nil liability on the Company for spending CSR expenses. However, the company has incurred Rs. 12,50,719/- as CSR expenditure which may be set-off in succeeding financial years as per the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

The CSR policy of the company has been placed on the Company's website at web-link 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-B**.

23. NOMINATION & REMUNERATION POLICY

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

24. AUDITORS

i) Statutory Audit & Auditor's Report

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

held in the year 2022. The Auditors Report on the accounts of the Company for the financial year 2020-21 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. The Company has maintained accounts and cost records with respect to Textile and Sugar business as specified by the Government under Section 148(1) of the Companies Act, 2013. The cost audit report for the financial year 2019-20 was filed with the Ministry of Corporate Affairs on 29.01.2021. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. R.R. & Co., Cost Accountants, Ludhiana to audit the cost accounts of the Company for the financial year 2021-22. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. R.R. & Co., Cost Accountants, is included in the Notice convening the Annual General Meeting.

iii) Secretarial Audit & Secretarial Audit Report

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

25. 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.

26. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended up to date) in respect of employees of the Company, forming part of the Directors' Report for the year ended 31st March, 2021 is given in **Annexure-D** to this Report.

27. 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-E**.

28. 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 annexed herewith as **Annexure-F** and forms part of this Report.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under the Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as **Annexure-G** and forms part of this Report.

30. ASSOCIATE / CONSOLIDATED FINANCIAL STATEMENT

As on 31st March, 2021 the company had four Associate Companies i.e. Cotton County Retail Limited, Atam Vallabh Financiers Limited, Vardhman Investment Limited and J L Growth Fund Limited, the accounts of which have been consolidated in accordance with the applicable Accounting Standards (Ind AS) and pursuant to Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The audited consolidated financial statements are provided in the Annual Report. A statement containing salient features of financial statements of associate companies in Form AOC-1 is annexed with the financial statements. The financials of the associate companies is given below:-

i) Cotton County Retail Limited (CCRL)

The company holds 47.66% equity shares of CCRL. During the year, the revenue from operations of the company was Rs. 79.87 lacs as compared to Rs. 731.92 lacs in the previous year. The company has incurred a net loss of Rs. 155.74 lacs as against a net loss of Rs. 32.14 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 Rs. 6.66 lacs as compared to Rs. 2.77 lacs in the previous year. The company has earned a

net profit of Rs. 4.83 lacs as against a net loss of Rs. 35.65 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 Rs. 7.96 lacs as compared to Rs. 4.46 lacs in the previous year. The company has earned a net profit of Rs. 5.67 lacs as against a net profit of Rs. 2.47 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 Rs. 211.54 lacs as compared to Rs. 59.98 lacs in the previous year. The company has earned a net profit of Rs. 282.63 lacs as against a net profit of Rs. 62.45 lacs in the previous year.

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

The company is committed to create and maintain an atmosphere in which employees can work together, without any fear of exploitation. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2020-21 the company has not received any complaint on sexual harassment and hence no complaint remains pending as on 31st March, 2021.

32. INDUSTRIAL RELATIONS

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

33. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

**Place: Ludhiana
Date : 9th August, 2021**

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



ANNEXURE - A

Form No. AOC-2

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

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

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

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

2. Details of material contracts or arrangement or transactions (2020-21) at arm's length basis

(₹ In lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advances, if any
(a)	(b)	(d)	(c)	(e)	(f)
Oswal Woollen Mills Ltd	Purchase of Goods	2020-21	7717.18	Not Required	
	Sale of Goods		10282.34		
	Processing Charges Received		42.64		
	Freight Income		353.19		
	Expenses Reimbursement received		81.06		
	Expenses Reimbursement paid		20.81		
	Sale of Fixed Asset		11.34		
	FMP/FMS Licence Sale		28.44		
Nahar Spinning Mills Ltd	Purchase of Goods	2020-21	3229.74	Not Required	
	Sale of Goods		23.64		
	Processing Charges Received		111.59		
	Expenses Reimbursement paid		5.34		
	Freight Income		85.46		
	Expenses Reimbursement received		74.57		
Monte Carlo Fashions Ltd	Purchase of Goods	2020-21	0.63	Not Required	
	Sale of Goods		364.13		
	Expenses Reimbursement received		38.26		
	Expenses Reimbursement paid		8.67		
	Sale of fixed assets		1.77		
	Rent Received		12.74		
	FMP/FMS License Sale		58.34		
Cotton County Retail Ltd.	Purchase of Goods	2020-21	4.37	Not Required	
	Sale of Goods		(9.33)		
	Expenses Reimbursement received		3.00		
Nahar Poly Films Limited	Freight Income	2020-21	3.07	Not Required	
Nahar Capital & Financial Services Limited	Investment in Preference Shares	2020-21	1000.00	Not Required	
J L Growth Fund Ltd.	Rent paid	2020-21	19.29	Not Required	
Hug Foods Pvt. Ltd.	Sale of Goods	2020-21	3186.12	Not Required	
	Expenses Reimbursement received		1.56		
Mr. Kamal Oswal	Rent Received	2020-21	15.00	Not Required	
Mrs. Manisha Oswal	Remuneration Paid	2020-21	25.27	Not Required	
Mr. Abhinav Oswal	Remuneration Paid	2020-21	65.63*	Not Required	

*Includes remuneration paid for the period 01.04.2020 to 31.08.2020 for Rs.12.43 lacs

For and on behalf of the Board of Directors

Place: Ludhiana
Date: 9th August, 2021

Jawahar Lal Oswal
(DIN: 00463866)
Chairman



ANNEXURE-B

Annual Report on Corporate Social Responsibility (CSR) Activities

1.	Brief outline on CSR Policy of the Company:		Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and the Board of Directors of the Company has approved the same on 14.11.2014. The Board of Directors 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.								
2.	Composition of CSR Committee:		Sh. Kamal Oswal, Chairman Sh. Dinesh Gogna, Member Sh. Suresh Kumar Singla, Member								
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.		www.owmnahar.com								
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).		Not Applicable								
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:		Not Applicable								
	Financial Year		Amount available for set-off from preceding financial years (in Rs.)				Amount required to be set-off for the financial year, if any (in Rs.)				
	--		--				--				
6.	Average net profit of the company as per section 135(5).		Rs. (4,18,79,000)/-								
7.	(a) Two percent of average net profit of the company as per section 135(5)		Rs. (8,37,580)/-								
	(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years -		Nil								
	(c) Amount required to be set off for the financial year, if any -		Nil								
	(d) Total CSR obligation for the financial year (7a+7b-7c).		Nil								
8.	(a) CSR amount spent for the financial year:		Rs. 12,50,719/-								
	Total Amount Spent for the Financial Year (in Rs.)		Amount Unspent (Rs.)								
			Total Amount transferred to Unspent CSR Account as per section 135(6)				Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)				
			Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer				
			12,50,719/-	-	-	-	-	-	-	-	-
	(b) Details of CSR amount spent against ongoing projects for the financial year : NOT APPLICABLE										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project	Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount Transferred to unspent CSR account for the project as per section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/ No)	Mode of Implementing – Through Implementing Agency



(c) Details of CSR amount spent against other than ongoing projects for the financial year:									
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Amount spent in the current financial year (in Rs.)	Mode of Implementation – Direct (Yes/ No)	Mode of Implementing – Through Implementing Agency	
				State	District			Name	CSR registration Number
1.	STP Budha Nala, Ludhiana Treatment plant	Clause IV of Schedule VII	Yes	Punjab	Ludhiana	655000/-	Yes, Direct	---	---
2.	Distribution of Fabrics to General Public through Shakti Foundation	Clause I of Schedule VII	No	Haryana	Panchkula	595719/-	Yes, Direct	---	---
(d) Amount spent in Administrative Overheads : NOT APPLICABLE									
(e) Amount spent on Impact Assessment, if applicable: NOT APPLICABLE									
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 12,50,719/-									
(g) Excess amount for set off, if any: Rs. 12,50,719/-									
Sr. No.	Particulars						Amount (in Rs.)		
(i)	Two percent of average net profit of the company as per section 135(5)						(8,37,580)/-		
(ii)	Total amount spent for the Financial Year						12,50,719/-		
(iii)	Excess amount spent for the financial year [(ii)-(i)]						12,50,719/-		
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any						Nil		
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]						12,50,719/-		
9. (a) Details of Unspent CSR amount for the preceding three financial years: NOT APPLICABLE									
Sr. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)		
				Name of the Fund	Amount (in Rs.)	Date of Transfer			
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NOT APPLICABLE									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the Project Completed / ongoing	
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (asset-wise details) : NOT APPLICABLE									
(a) Date of creation or acquisition of the capital asset(s).									
(b) Amount of CSR spent for creation or acquisition of capital asset.									
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.									
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).									
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) NOT APPLICABLE									

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



ANNEXURE-C

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

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

To
The Members,
Nahar Industrial Enterprises Ltd.
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 Ltd** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the **financial year 1st April, 2020 to 31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Nahar Industrial Enterprises Ltd** ("the Company") for the financial year ended on **31st March, 2021** according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the rules made there under;
 - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable, however, the Company has issued 1000000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares on 14.05.2020 @100/- each since, the same are not listed at any Stock Exchange as per terms of issue)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable as the Company has not issued any shares/options to directors/ employees under the said guidelines/regulations during the year under review)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued Debt Securities during the Audit Period under review)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period as there was no event in this regard)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review)**
- (VI) Textiles (Development and Regulation) Order, 2001
- (VII) Foods Safety and Standards Act, 2006



ANNEXURE-D

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

(I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 is as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2020-21 (₹ in lacs)	% increase in Remuneration in the Financial year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Sh. Jawahar Lal Oswal (Chairman)	*0.50	0	0.36
2.	Sh. Kamal Oswal (Managing Director)	270.02	3.00	195.23
3.	Sh. Dinesh Oswal (Director)	*0.60	-20.00	0.43
4.	Sh. Abhinav Oswal (Executive Director)	65.63	111.57	47.45
5.	Sh. Dinesh Gogna (Director)	*0.60	-20.00	0.43
6.	Sh. Navdeep Sharma (Director)	*0.60	-20.00	0.43
7.	Dr. (Mrs.) Harbhajan Kaur Bal (Director)	*0.20	-60.00	0.14
8.	Sh. Amrik Singh Sohi (Director)	*0	-100.00	0
9.	Sh. Ajit Singh Chatha (Director)	*0.10	-75.00	0.07
10.	Sh. Vijay Asdhir (Director)	*0.60	100.00	0.43
11.	Sh. Suresh Kumar Singla (Director)	*0.60	20.00	0.43
12.	Mrs. Manisha Gupta (Director)	*0.30	100.00	0.22
13.	Dr. Roshan Lal Behl (Director)	*0.30	100.00	0.22
14.	Sh. Parvinder Singh Pruthi (Director)	*0.30	100.00	0.22
15.	Sh. Ved Parkash Gaur (Director)	*0.30	100.00	0.22
16.	Sh. Bharat Bhushan Gupta (Chief Financial Officer)	21.86	-26.42	15.80
17.	Sh. Mukesh Sood (Company Secretary)	16.02	-29.24	11.58

*Sitting Fee paid for attending the Board Meetings.

- (ii) In the financial year 2020-21, there was a decrease of 11.65% in the median remuneration of employees.
- (iii) There were 8407 permanent employees on the rolls of Company as on 31st March, 2021.
- (iv) Average percentage decrease made in the salaries of employees other than the Key Managerial Personnel in the last financial year i.e. 2020-21 was 27.12% whereas the decrease in the Key Managerial remuneration for the same financial year was 6.6%.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- (vi) Name of the top 10 employees in terms of remuneration drawn has been given hereunder:-

Sr No	Name 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	270.02	Contractual	B. Com 37 years	01.02.1998	59	Nahar International Ltd.
2.	Sh. Abhinav Oswal** Executive Director	65.63	Regular	B.B.A. 5 years	18.07.2016	28	----
3.	Mrs.Manisha Oswal***,President	25.27	Regular	Graduate 9 years	01.04.2012	56	----
4.	Sh. Yogesh Kumar Singh, GM (Tech.)	22.65	Regular	BE (Mech.) 27 years	03.07.2017	50	Wave Industries
5.	Sh. Bharat Bhushan Gupta, Chief Financial Officer	21.86	Regular	C.A. 42 years	20.11.1979	64	----
6.	Sh. Hari Narain Singhal, President	21.69	Regular	M.Com, L.LB 43 years	20.10.1978	68	DCM Group
7.	Sh. Rajesh Wallia Vice President	21.08	Regular	M.Com, PGDCA 31 years	20.08.1990	51	----
8.	Sh. Daljeet Singh Viridi, Vice President	17.69	Regular	CA 37 years	07.09.1993	66	Metro Tyres Ltd.
9.	Sh. Satish Kumar Tyagi, Vice President	17.02	Regular	B.Tech 31 years	03.12.2009	56	Vardhman Group
10.	Sh.Dharminder Batra Vice President	16.80	Regular	MBA 29 years	01.12.1999	55	Vardhman Group

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

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

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

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

**ANNEXURE-E****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 programme 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 thereby reduction in cost of production.

B) TECHNOLOGY ABSORPTION

- i) Efforts in brief made towards Technology Absorption, adoption and innovation : All efforts being made to adopt the technology. The Company has a team of well qualified and experienced Engineers who are committed to absorbing and adapting latest technology.
- ii) 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	Previous Year
		(₹ in Lacs)
a) Capital	18.10	69.40
b) Recurring	19.26	33.44
Total	37.36	102.84

C) FOREIGN EXCHANGE EARNING & OUTGO:

	Current Year	Previous Year
		(₹ in Lacs)
i) Total foreign exchange earnings and outgo:		
Earnings (FOB Value of Exports etc.)	26,703.68	20,955.08
Outgo (CIF Value of Imports, expenditure in foreign currency and others payments)	1,316.02	6,102.25

For and on behalf of the Board of Directors

Place: Ludhiana
Date : 9th August, 2021

Jawahar Lal Oswal
(DIN : 00463866)
Chairman



CORPORATE GOVERNANCE REPORT

ANNEXURE-F

1. Company's Philosophy on Corporate Governance

It is Nahar Industrial Enterprises Ltd.'s (NIEL) firm belief that good corporate governance provides a basis by which the right 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
- Appointment and Familiarisation Policy.

2. Board of Directors

A. Information relating to Directors

- i. As on 31st March, 2021 the Board of NIEL consists of twelve 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 6 (six) times during the period April, 2020 to March, 2021 on – 14.05.2020, 30.06.2020, 14.08.2020, 12.11.2020, 12.02.2021 & 20.03.2021 with a clearly defined agenda. The maximum time gap between 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 Chairpersonship (in Audit Committee & Stakeholder Relationship Committee) held by them in other public limited companies incorporated in India and also name of the listed companies in which holds directorship, as on 31.03.2021 are presented hereunder:

Name of Directors	Category of Directors	Name of the Listed Company in which also holds directorship	Attendance Particulars		Directorship held in other Public Ltd. Companies/Committee Membership and Chairmanship/Chairpersonship		
			No.of Board Meetings Attended	Last AGM Attended	Directorship	Committee Membership	Committee Chairmanship/ Chairpersonship
Sh. Jawahar Lal Oswal # (00463866)	Promoter Non Executive Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited Monte Carlo Fashions Limited	5	No	8	--	--
Sh. Kamal Oswal # (00493213)	Promoter Executive Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Ltd. Oswal Leasing Limited	6	Yes	8	1	--
Sh. Dinesh Oswal # (00607290)	Promoter Non Executive Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited	6	Yes	6	--	--
Sh. Abhinav Oswal # (07619099)	Promoter Executive Director	Nahar Industrial Enterprises Ltd.	3	Yes	5	--	--
Sh. Dinesh Gogna (00498670)	Non Executive Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Ltd. Oswal Leasing Limited Monte Carlo Fashions Limited	6	Yes	9	8	2



Sh. Navdeep Sharma (00454285)	Non Executive Director	Nahar Industrial Enterprises Limited Oswal Leasing Limited Kovalam Investment and Trading Company Limited	6	Yes	9	4	1
Dr. Vijay Asdhir (06671174)	Independent Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited	6	No	3	5	4
Dr. Suresh Kumar Singla (00403423)	Independent Director	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited Monte Carlo Fashions Limited	6	Yes	4	6	2
Dr. Manisha Gupta (06910242)	Independent Director	Nahar Industrial Enterprises Ltd. Nahar Spinning Mills Ltd. Nahar Poly Films Limited Nahar Capital and Financial Services Ltd. Monte Carlo Fashions Ltd.	3		6	5	1
Dr. Roshan Lal Behl (06443747)	Independent Director	Nahar Industrial Enterprises Ltd. Nahar Spinning Mills Ltd. Nahar Capital and Financial Services Ltd.	3		3	2	1
Sh. Ved Prakash Gaur (02439897)	Independent Director	Nahar Industrial Enterprises Ltd.	3		2	--	--
Sh. Parvinder Singh Pruthi (07481899)	Independent Director	Nahar Industrial Enterprises Ltd.	3		--	--	--
Dr. Mrs. H K Bal*	Independent Director	Nahar Industrial Enterprises Ltd.	2				
Dr. A S Sohi*	Independent Director	Nahar Industrial Enterprises Ltd.	0				
Sh. A S Chatha*	Independent Director	Nahar Industrial Enterprises Ltd.	1				

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

*Directors ceased from directorship of the company during the financial year 2020-21

B. Shareholding of Non Executive Directors

Sr. No.	Name of the Directors	No. of Shares held
1.	Sh. Jawahar Lal Oswal	1000
2.	Sh. Dinesh Oswal	1000
3.	Sh. Dinesh Gogna*	105
4.	Sh. Navdeep Sharma	1

- Director has disposed off his holding on 07.06.2021

C. Details of Familiarisation Programme for Independent Directors

At the time of appointment of a director a formal letter of appointment is given to the appointee director which inter alia explains the role, functions, duties and responsibilities expected from him as a director of the Company. The Vice Chairman cum Managing Director also has a one to one discussion with the newly appointed directors to familiarise them with the Company's operations. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's Procedures and Policies. Directors are having access to all documents/ information needed for good understanding of the Company, its operations and the industry in which it operates. The Company has put in place a system to familiarize its Independent Directors with the Company which is available at the weblink: http://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 and Sh. Abhinav Oswal, Executive Director, receives salary, allowances, perquisites as approved by the Nomination and Remuneration Committee, Board of Directors and Shareholders. There has been no materially pecuniary relationship or transaction between the Company and its Directors in the financial year under review. The details of remuneration paid to the directors for the financial year 2020-21, are given below:

(Amount In Rs)

Name of the Directors	Sitting Fee	Salary, Allowance & Perquisites	Performance Incentives	Commission	Total
Sh. Jawahar Lal Oswal	50000/-	Nil	Nil	Nil	50000/-
Sh. Kamal Oswal	Nil	27002309/-	Nil	Nil	27002309/-
Sh. Dinesh Oswal	60000/-	Nil	Nil	Nil	60000/-
Sh. Abhinav Oswal	Nil	6563272/-**	Nil	Nil	6563272/-**
Sh. Dinesh Gogna	60000/-	Nil	Nil	Nil	60000/-
Dr.(Mrs.) Harbhajan Kaur Bal*	20000/-	Nil	Nil	Nil	20000/-
Sh. Ajit Singh Chatha*	10000/-	Nil	Nil	Nil	10000/-
Sh. Navdeep Sharma	60000/-	Nil	Nil	Nil	60000/-
Dr. Amrik Singh Sohi*	Nil	Nil	Nil	Nil	Nil
Dr. Vijay Asdhir	60000/-	Nil	Nil	Nil	60000/-
Sh. Suresh Kumar Singla	60000/-	Nil	Nil	Nil	60000/-
Mrs. Manisha Gupta	30000/-	Nil	Nil	Nil	30000/-
Sh. Roshan Lal Behl	30000/-	Nil	Nil	Nil	30000/-
Sh. Ved Prakash Gaur	30000/-	Nil	Nil	Nil	30000/-
Sh. Parvinder Singh Pruthi	30000/-	Nil	Nil	Nil	30000/-

* Director ceased from directorship of the company during the FY 2020-21

**Includes remuneration of Rs. 12,43,272/- for the period 01.04.2020 to 31.08.2020

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://owmnaahar.com/naahar_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 2020-21.

Place : Ludhiana
Dated : 9th August, 2021

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

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

The following skills/expertise/competencies required in the context of Companies business have been identified by the



Board for it to function effectively i.e. i) Industry Knowledge, ii) Leadership, iii) Business Strategy, Planning and Corporate Management iv) Legal and Risk Management, v) Corporate Governance and Risk Management vi) Financial Knowledge vii) Information Technology.

Name of Director	Industry Knowledge	Leadership	Business Strategy, Planning and Corporate Management	Legal and Risk Management	Corporate Governance and Risk Management	Financial Knowledge	Information technology
Sh. Jawahar Lal Oswal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Kamal Oswal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Dinesh Oswal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Abhinav Oswal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Dinesh Gogna	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Navdeep Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Vijay Asdhir	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Suresh Kumar Singla	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Manisha Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Roshan Lal Behl	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Ved Prakash Gaur	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sh. Pervinder Singh Pruthi	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

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

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

During the year under review no Independent Director has resigned before expiry of his tenure.

3. Board Level Committees

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

A. Audit Committee

The Company has formed an Audit Committee of the Board of Directors of the Company. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Listing Regulations. The Audit Committee was re-constituted on 14.08.2020, Dr. Roshan Lal Behl and Dr. Manisha Gupta were appointed as members of the Audit Committee. The committee consisted of four non executive Director namely Sh. Dinesh Gogna, Dr. Vijay Asdhir, Dr. Roshan Lal Behl and Dr. Manisha Gupta. 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 and Mr. Mukesh Sood, Company Secretary are invitees to the Committee. Mr. Mukesh Sood also acts as Secretary to the Audit Committee. Since Dr. H K Bal and Sh. A. S. Chatha ceased to be directors of the Company at the conclusion of 36TH AGM, who were members of the Audit Committee also, accordingly, they ceased as members of the Audit Committee.



The Committee met 5 (five) times during the period April 2020 to March, 2021 i.e. 30.06.2020, 14.08.2020, 12.11.2020, 12.02.2021 & 20.03.2021 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	5	5
Dr. Vijay Asdhir	Chairman	Independent Non-executive Director	5	5
Dr. (Mrs.) Manisha Gupta	Member	Independent Non-executive Director	3	3
Dr. Roshan Lal Behl	Member	Independent Non-executive Director	3	3
Dr. (Mrs.) Harbhajan Kaur Bal*	Member	Independent Non-executive Director	2	2
Dr. Amrik Singh Sohi*	Member	Independent Non-Executive Director	2	0

* Ceased from the committee during the financial year.

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 Nomination and Remuneration Committee was re-constituted on 14.08.2020, Dr. Roshan Lal Behl was appointed as member of the Committee. The Committee consisted of three independent non executive directors namely Dr. Vijay Asdhir as Chairman, Sh. Suresh Kumar Singla and Dr. Roshan Lal Behl as members. Since Dr. (Mrs.) H K Bal ceased to be director of the Company at the conclusion of 36TH AGM, who were member of the Nomination and Remuneration Committee also. Accordingly, she ceased as member of the Nomination and Remuneration Committee. The Committee met on 14.08.2020 in the Financial year 2020-21 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 i.e. Alankit Assignment Limited. The Stakeholder's Relationship Committee consisted of directors namely Sh. Kamal Oswal, Sh. Dinesh Gogna, Dr. Vijay Asdhir and Sh. Suresh Kumar Singla. Sh. Mukesh Sood, Company Secretary and Compliance Officer act as Secretary to the Committee. The Committee met 4 (four) times during the period April 2020 to March, 2021 i.e. 30.06.2020, 14.08.2020, 12.11.2020 & 12.02.2021 in the financial year 2020-21 and the attendance of each member is as under:



Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Sh. Kamal Oswal	Member	4	3
Sh. Dinesh Gogna	Chairman	4	4
Dr. Vijay Asdhir	Member	4	4
Sh. Suresh Kumar Singla	Member	4	4

Status of Shareholder's queries/grievance

Nature of Complaints	Pending at the beginning of the year	Received and redressed during the year	Pending at the end of the year
Status of Shareholder's queries/grievance	Nil	67	Nil

D. CSR Committee

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

4. General Body Meeting

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

Financial Year	Location	Date	Time	No. of Special Resolutions
2017-18	Registered Office	28.09.2018	10.00 A.M.	4
2018-19	Registered Office	30.09.2019	10.00 A.M.	6
2019-20	Through Video conferencing/ other audio visual means	30.09.2020	11.45 A.M.	3

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. Financial Express (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. Presentations made to institutional investors or to the analysts:

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

7. General Shareholder's Information

- i. Annual General Meeting
Day, Date, Time and Venue
 - ii. Financial Year
 - iii. Book Closure
 - iv. Dividend
- Wednesday, the 29th day of September, 2021 at 02.30 P.M.
Through Video conferencing ("VC")/other audio visual means ("OJVM")
- April to March
- Financial Results for the financial year 2021-22 will be announced tentatively in :-
July-August, 2021
October-November, 2021
January-February, 2022
April-May 2022
- First Quarter Results
Second Quarter Results
Third Quarter Results
Fourth quarter & Annual audited results.
- 23.09.2021 to 29.09.2021 (both days inclusive).
- The Board of Directors has not recommended any dividend for the financial year ended 31.03.2021.

**Unclaimed/Unpaid Dividend**

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

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

Unpaid/unclaimed dividend pertaining to the financial year 2013-14 is due to be transferred in the financial year 2020-21.

Details of Unpaid/Unclaimed dividend:

Financial Year	Due date for transfer to IEPF
2013-14	05.11.2021
2015-16	05.11.2023
2016-17	02.11.2024

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

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

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

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

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

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 2021-22 has already been paid to both the stock exchanges.

vi. Stock Code

BSE – **519136**, NSE – **NAHARINDUS**, ISIN- **INE289A01011**



vii. **Distribution of Shareholding as on 31.03.2021**

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate Shares held	% of Shareholding
1-500	44477	95.70	3484671	8.75
501-1000	1059	2.28	801589	2.01
1001-2000	444	0.95	673004	1.69
2001-3000	156	0.34	406769	1.02
3001-4000	61	0.13	218863	0.55
4001-5000	59	0.13	273317	0.69
5001-10000	92	0.20	654743	1.64
10001 & above	124	0.27	33322185	83.65
Total	46472	100.00	39835141	100.00

viii. **Shareholding Pattern as on 31.03.2021**

Shares held by	No. of Shares	% of shareholding
Promoters	27393178	68.77
Mutual Funds & UTI	13173	0.03
Bank & Financial Institutions	344	0.00
Insurance Companies	169463	0.43
Foreign Holding (NRIs)	195796	0.49
Private Bodies Corporate (Others)	507273	1.27
IEPF Authority	1570189	3.94
Indian Public	9985725	25.07
Total	39835141	100.00

ix. **Dematerialisation of Shares**

As on 31.03.2021, 95.73% of equity share capital is held in dematerialized form under **ISIN-INE289A01011**.

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

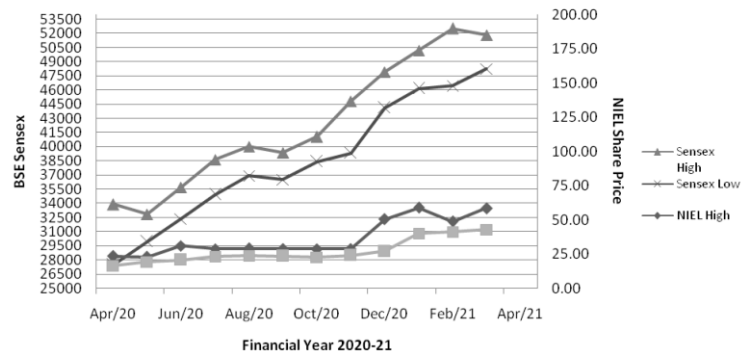
The Company has not issued any GDRs/ADRs/Warrants during the year.

xi. **Stock Market Data**

Month	NSE		BSE	
	High	Low	High	Low
April-2020	22.50	16.10	23.50	16.60
May-2020	23.00	19.05	22.90	19.25
June-2020	31.00	21.35	31.00	20.65
July-2020	29.80	24.00	28.95	23.20
August-2020	29.80	23.55	29.15	23.90
September-2020	29.25	23.25	28.70	23.35
October-2020	28.80	22.75	28.95	22.75
November-2020	28.50	24.10	28.70	24.00
December-2020	49.40	27.95	50.40	27.00
January-2021	59.00	39.55	59.00	40.05
February-2021	48.35	41.65	48.80	41.25
March-2021	58.45	43.30	58.45	42.90

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

xii. **Stock Performance vis-à-vis Index**



**xiii. Investor Correspondence**

Investor correspondence should be addressed to:

Share Transfer Agent

Alankit Assignments Ltd.
Alankit Heights, 1E/13, Jhandewalan Extension,
New Delhi 110055
Phone: 011-4254 1234
Fax No.: 011-42541201, 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
E-mail: msood@owmnahar.com
share@owmnahar.com

xiv. Share Transfer System

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 01, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

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

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 Commodity price risk or foreign exchange risk and hedging activities

The Company is in the business of Yarns, Fabrics and Sugar. The Company has not dealt in any commodity market and thus there is no commodity price risk. To cover itself from exchange rate fluctuations with respect to export of its products, the company does partial hedging by normal booking in the normal course of the business. The Company is not involved in any speculative activities.

xviii Credit Ratings:

The rating committee of ICRA limited has retained the long-term rating of [ICRA]BBB+ (pronounced ICRA triple B plus) and short term rating of [ICRA]A2 (pronounced ICRA A two). Outlook on the long-term rating is stable.

xix In case the securities are suspended from trading, reason thereof:

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

xx. Plant Locations

- i) Nahar Industrial Enterprises Ltd. (Unit: Arham Spinning Mills) Vill. Udaipur/Khijuriwas, Bhiwadi, Dist. Alwar (Rajasthan)
- ii) Nahar Industrial Enterprises Ltd. (Spinning Unit-I, II, IV) Vill. Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Mohali (Punjab).
- iii) Nahar Industrial Enterprises Ltd. (Fabrics Unit) Village Jalalpur, Chandigarh-Ambala Road, Lalru, Distt. Mohali (Punjab)
- iv) Nahar Industrial Enterprises Ltd. (New Process & Dyeing) Village Jalalpur, Chandigarh-Ambala Road, Lalru, Dist. Mohali (Punjab)
- v) Nahar Industrial Enterprises Ltd. (Unit: Sambhav Spinning Mills) Industrial Focal Point, Phase VIII, Mundian Kalan, Distt. Ludhiana (Punjab)
- vi) Nahar Industrial Enterprises Ltd. (Unit: Nahar Sugar) Village Salana Jeon Singh Wala, Tehsil Amlah, Distt. Fatehgarh Sahib (Punjab)
- vi) Nahar Industrial Enterprises Ltd. (Unit : Nahar Logistics), Focal Point, Ludhiana 141010

**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 in to consideration the merits, qualification, experience, expertise his ability to effectively discharge their duties and responsibilities.

Remuneration Policy

The remuneration package of the Company ensures that:

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

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

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

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

Review and Amendment

The Committee or the Board may review the policy as and when it deems to be necessary. Any subsequent amendment/



modification in the Listing Regulations and/ or other applicable laws in this regard shall be applicable to this Policy.

ii. Accounting Treatment in Preparation of Financial Statements

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

iii. Disclosure on Materially Significant 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. 38 of the notes to Financial Statement. During the year, there are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large

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

During the year 2020-21, the Company has allotted 10,00,000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 100/- each aggregating to Rs. 10,00,00,000/- to Nahar Capital & Financial Services Limited, the promoter group entity. The company has utilized the amount for the purposes it was raised.

viii. Certificate from Company Secretary in Practice:

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

ix. Recommendation of Committees:

In the financial year 2020-21 the board has accepted all recommendations of its Committees.

x. Dividend Distribution Policy:

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that top 1000 listed entities based on market capitalization shall formulate a dividend distribution policy. Your Company does not fall in top 1000 list of listed entities hence the requirement to formulate a dividend distribution policy is not applicable to the Company.

xi. Non-compliance of any requirement of corporate governance report with reasons thereof:

The Company has complied with all the requirements of Corporate Governance Report as required in Part C of Schedule V of SEBI LODR Regulations, 2015.

xii. Disclosure of compliance with corporate governance requirements as specified in regulation 17 to 27 and regulation 46(2)(i)(b) of SEBI (Listing obligations and disclosure requirements) regulations, 2015:

The Company has complied with all the Corporate Governance requirements as specified in Regulation 17 to 27 (except Regulation 21 and 24, which are not applicable to the Company) and Regulation 46 (2) (i) (b) of SEBI LODR Regulations,



2015.

xiii 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.

xiv Disclosure In Relation Of Sexual Harassment Of Women At Workplace

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

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

xv. Fees paid to Statutory Auditors:

The total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditors is a part is Rs. 10.11 lacs which includes Audit Fees, Certification charges and reimbursement of expenses during the year 2020-21.

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

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

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

For and on behalf of the Board of Directors

**Place : Ludhiana
Dated : 9th August, 2021**

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

**CEO/CFO CERTIFICATION**

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we have certified to the Board that for the financial year ended 31st March, 2021 the Company has complied with the requirements stated thereunder.

For Nahar Industrial Enterprises Limited

Place : Ludhiana
Dated: 31st May, 2021

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

Bharat Bhushan Gupta
Chief Financial Officer

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

To
The Members
M/s Nahar Industrial Enterprises Ltd
Ludhiana

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

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

For P.S. Bathla & Associates
Company Secretaries

Place : Ludhiana
Dated: 9th August, 2021

P.S. Bathla
(Proprietor)
CP No. 2585
UDIN: F004391C000728391

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

To
The Members
M/s. Nahar Industrial Enterprises Ltd.
Ludhiana.

I We have examined the compliance of regulations of Corporate Governance by Nahar Industrial Enterprises Limited ("the Company") for the year ended on 31st March 2021, as stipulated in Regulation 17 to 27 and Clause (b) to (i) of the Regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

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

Other Matters and Restrictions on Use

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

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

Place : Ludhiana
Dated : 9th August, 2021

(Vivek Aneja)
Partner
M. No. : 544757
UDIN: 21544757AAAABQ6531



Management Discussion and Analysis Report 2021

Overview of the economy

The World Health Organization (WHO) on March 11, 2020 announced the viral outbreak COVID-19 a pandemic. Since then, the emergency evolved into a global public health and economic crisis that affected the global economy beyond anything experienced in nearly a century. The pandemic has been globally shared but individually experienced. The world has been fighting the virus and the struggle had deleterious economic effects. No major economy was spared as countries went into lockdowns and other restrictions, global economic growth declined from 2.9% in 2019 to minus 3.5% in 2020. (Source: International Monetary Fund report)

The Indian economy contracted by 7% during the financial year ending March 2021. Indian economy, which was on the path of recovery has been hit in recent months by a rather unexpectedly extremely severe second wave of Covid-19, leading to localized lockdowns. However, the growth projections for FY 2021-22 have been revised to be below 10% due to the acute resurgence of the virus in the country, as many cities and states went into lockdown. The overall impact on the economy is expected to be less severe than last year. The IMF expects world output to grow 6% in 2021 and forecast India as the fastest-growing major economy from pandemic-hit 2020.

Industry Structure/Development (Textiles)

The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. It is the 2nd largest manufacturer and exporter in the world, after China. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital intensive mill sector. The mill sector is the second largest in the world. The textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 12% of the country's export earnings. The sector has perfect alignment with Government's key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment. In keeping with goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, upgradation of technology fostering innovation, enhancing skills and traditional

strengths in the textile sector. (Source: Annual Report 2019-20, Ministry of Textiles, Government of India)

Government of India is implementing various policy initiatives and schemes for further development of textile sector. These schemes and initiatives which promote technology upgradation, creation of infrastructure, skill development and sectoral development in the textile sector, create a conducive environment, provide enabling conditions for textile manufacturing in the country and help in boosting the textile sector. The Government, through its various schemes, such as the Amended Technology Upgradation Fund Scheme (A-TUFS), Schemes for the development of the Power loom Sector (Power-Tex), Scheme for Integrated Textile Parks (SITP), Scheme for Additional Grant for Apparel Manufacturing Units under SITP (SAGAM), SAMARTH- The Scheme for Capacity Building in Textile Sector (SCBTS), Integrated Processing Development Scheme (IPDS), Rebate of State and Central Taxes and Levies (ROSCOTL), Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) etc. provides environment to boost the sector.

Management perception of Concerns/ Threat/ Risks

The year 2020 has been the most challenging year. The widespread impact of Covid-19 changed all the numbers and the industry has shrunk drastically. There was a huge downfall in the domestic market with instant cancellations and postponement of orders. The consumer demands decreased which resulted in less money circulation in the market. Consumer purchase of textile and apparel were hit badly due to the global lockdowns and economic recession. The effects have been such that the growth projection of the textile and apparel industry has shrunk by 28-30%. After witnessing second wave, the biggest threat is a forecast of Third wave of COVID 19. The nation is holding on to its sigh of relief at the waning of the second wave, and there is the apprehension of the dire prospect of a third wave. It all depends how fast it can be controlled to help in boosting confidence and reducing uncertainties.

The Global production of cotton is expected to 114.1 million bales, decreased by 6.5 percent in 2020/21 from the previous year level, as major cotton producing countries witnessed decreases. India's cotton production is estimated at 29 million bales in 2020/21, reduced roughly 2 percent from the preceding year on



both slightly lower area harvested and yield. India's 2020/21 yield is estimated at 475 kg/hectare, down roughly 1 percent from the previous season. Modernization of India's cotton production including the adoption of Bt. varieties propelled India to the first rank among cotton producing countries in 2015 but variable weather and developing problems with bollworm resistance dropped India to the number two spot in 2019 and in 2020. India and China are estimated to be in a tied for the spot of largest cotton producer. (Source: <https://www.usda.gov/oce/ag-outlook-forum>). Availability of raw cotton at reasonable price is crucial for the textile industry. The volatility in prices of cotton erodes the level playing field in global scenario, which can affect the performance of the Industry.

Indian Textile Industry at present has a duty disadvantage in the EU market, when compared with its apparel competitors like Bangladesh, Cambodia, Sri Lanka, Vietnam and Pakistan, which have competitive manufacturing costs and enjoy duty-free access to major textiles and apparel markets like the European Union (EU). There is now an urgent need to have a level playing field in terms of market access and margin of preference in India's biggest global market and to correct the distortion that the Textile industry has been suffering.

Besides, risk of Inflation, cost of capital and Currency fluctuation are other risk faced by the Industry. India's retail inflation measured by the Consumer Price Index (CPI) jumped to 6.3 per cent in May on account of higher food and energy prices, as per data released by the Ministry of Statistics and Programme Implementation (MoSPI). The government has asked the central bank to maintain retail inflation at 4 per cent with a margin of 2 per cent on either side for a five-year period ending March 2026. If fuel prices remain elevated it would have negative effect on Rupee, fiscal deficit and inflation.

Opportunities and outlook

After witnessing a major setback in first two quarters in FY2021 following the Covid-19 pandemic and ensuing lockdowns, the domestic textile sector started reporting a gradual recovery from third quarter FY2021 onwards. This was supported by opening up of the markets and resumption of activity across the value chain. The Indian textile and apparel industry has been adversely impacted in the short to mid-term due to pandemic, the accompanying lockdowns and lower consumer spends.

Growth in the textile sector largely depends on consumer spending and multiple factors are affecting consumer spending like actual and perceived economic conditions, disposable income and employment. Growth can be seen in the disposable income of the middle and lower middle class sections of the society and it is expected to grow even further in the foreseeable future. In value terms, India's domestic textile and apparel market is worth US\$ 106 billion in 2019-20 and is expected to grow at a CAGR of 12% to reach US\$ 220 billion by 2025-26. (Source: Wazir advisors annual report on Indian Textile & Apparel industry). Presently India's share in the Global Textile export is very meager as compared to China. The outbreak of COVID-19 pandemic, trade tension between U.S. and China coupled with geo-political uncertainty has severely affected Chinese Textile Exports. China, the world's largest apparel manufacturer and exporter, continued to shed market share in the global market. India should capitalize this opportunity, being a promising sourcing destination for global buyers. India has an edge to be an alternative manufacturing hub for global players as two major things required for textile Industry are cotton and skilled work force, which are abundantly available in the country. More and more overseas buyers are looking at India as the next best alternative supplier of textile products.

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. As the Indian textile and apparel sector bounced back strongly after the turbulence caused by Covid-19, it hopes to achieve stronger growth in 2021. The latest IMF forecast suggests a strong 6% growth in global GDP in 2021. But the occurrence of second and third waves of Covid in different parts of the world and reports of virus mutations have created downside risks to the outlook of a strong growth rebound. Recovery remains uneven and uncertain, with the extent of fiscal support and level of vaccination being key differentiators of the short-term economic outlook across countries. To withstand in COVID 19 pandemic, the Government of India announced Aatma Nirbhar Bharat Abhiyaan for boosting economy of the country and making India self-reliant. However, 2021 looks brighter given the onset of vaccination drives, growth sales of apparel, and resumption of global supply chains. Going forward, the economy has the resilience and the fundamentals to bounce back from the pandemic and unshackle itself from pre-existing cyclical and structural hindrances.



Your company remains focused on navigating steadily and safely through the turbulent short to medium term business environment, while being prepared to ride the eventual post-COVID recovery.

Industry structure/Development (Sugar)

Sugar industry is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers and around 5 lakh workers directly employed in sugar mills. Employment is also generated in various ancillary activities relating to transport, trade servicing of machinery and supply of agriculture inputs. India is the second largest producer of sugar in the world after Brazil and is also the largest consumer. Indian Sugar Industry is highly fragmented with private sector, Government undertakings, Co-operatives, and unorganized players. According to ISMA, All India Sugar output from 1st October, 2020 to 15th July, 2021 reached 307.07 lacs tons i.e. 35.52 lacs tons up from last year during the same period.

Presently the sugar production exceeds domestic consumption and the focus of Government has shifted to managing the surplus sugar. The Government re-introduced monthly sale quota and fixed minimum selling price for sugar to ensure the cash-strapped sugar mills do not flood the domestic market with sugar. To liquidate excess stock of sugar, it announced export subsidies. Without subsidies export of sugar are unviable as cost of producing sugar is way above the international sugar price.

Management perception of Risk/Concern/Threat

Sugar production in India has been cyclic in nature. Every 2-3 years of high sugar production are followed by low sugar production. From the sugar season 2017-18 and onwards, the country had produced surplus sugar than the domestic requirement. Vagaries in the monsoon pattern had impact on the availability of sugar cane which is the major raw material. Sugarcane price fixed by the government today has little correlation to the realization from end products. This inflicts huge losses on the mills and causes cane arrears to build. The government's controls and populist policies often destabilized the financial health of sugar industry. 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. The Government's two important policy decisions to improve

liquidity of sugar mills during 2020-21 season, by way of announcement of sugar export programme of 6 million tonnes and upward revision of ethanol prices for this season have been welcomed by the industry. However, the government is yet to announce the implementation of a crucial policy decision, increasing minimum selling price (MSP) of sugar.

The sugar consumption has come down for few months during 2020-21 due to Covid-19 and lock downs imposed for few months in most of the countries. Hence the sugar consumption has not grown as expected earlier. Now, the second/Third wave of Covid-19 is impacting major countries which may further reduce the consumption because of closure of business establishments.

Opportunities and outlook

The Government had allowed export of sugar with subsidies till the crushing season 2020-21. India has been working hard to reduce its dependency on import of oil. India's ethanol programme - blending ethanol with petrol for use as auto fuel, was first announced in 2003. The present government revived the programme and gave it the necessary impetus both in terms of targets and policy push. It understood the multiple benefits that the programme, if implemented properly would improve sugar mills' cash flow, ensure better prices for farmers, enhance India's energy security and reduce pollution. Therefore, the government has made a concerted effort to promote ethanol as an alternative fuel option, and all of this culminated in the final unveiling of the ambitious National Policy on Biofuels (2018). In the long run, India will have the option of balancing both sugar and ethanol production based on the market requirement. The Govt. Policies like MSP and monthly sugar release mechanism would help in stabilization of the sugar price.

Having acknowledged the fact that India is one of the leading producers of sugarcane in the world, it is needed that the government and private players work pro-actively and cohesively and to push the industry forward financially independent and globally competitive so that it economically benefits each and every stakeholder at every step.

Segment wise/Financial/Operational performance

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

**Highlights of the company's Financial/operational performance**

Particulars	(Rs. In lakhs)		
	Current Year	Previous Year	
Revenue from operations	141802.66	157272.70	
Profit/(Loss) before Tax	(1290.77)	(3246.28)	
Profit/(Loss) after Tax	(913.24)	(2537.34)	
Ratios	Current Year	Previous Year	Change (%)
Debtor turnover ratio	7.16	7.73	7.37
Inventory turnover ratio	0.36	0.38	5.26
Interest Coverage Ratio	0.77	0.50	(54.00)
Current ratio	1.33	1.28	3.90
Debt equity ratio	0.18	0.20	10.00
Operating profit margin (%)	3.13	2.05	(52.68)
Net profit margin (%)	(0.91)	(1.57)	(42.03)
Return on Net Worth	(1.76)	(3.36)	(47.61)

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 monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and also ensures that the internal control systems are properly followed by all concerned departments of the company. Significant audit observations and corrective actions taken thereon are

presented to the Audit committee of the Board.

Material Development in Human resources/ Industrial Relation Front

The company is of firm belief that human resources are the driving force that propels a company towards progress and success and the company is committed to the development of its people. Your company is committed towards building a safe work place with underling safe work practice. The total employee's strength was 8407 as on 31/03/2021. The industrial relations were cordial and satisfactory.

Cautionary Statement

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

For and on behalf of Board of Directors

Place: Ludhiana
Date: 9th August, 2021

Jawahar Lal Oswal
(DIN: 00463866)
(Chairman)



Independent Auditor's Report

To The Members of

Nahar Industrial Enterprises Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Nahar Industrial Enterprises Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis Of Matters

We draw attention to note no 33 of the standalone financial Statements, which describe the uncertainties and the impact of COVID -19 pandemic on the company's operations and results as assessed by management. Our opinion is not modified in respect of this matter

Key Audit Matters

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

We have not come across with any key audit matter during the audit.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors Report, including annexure thereto, Report on Corporate Governance and Management Discussion & Analysis Report, but does not include the Consolidated and Standalone Ind AS

financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the



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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act
 - e. On the basis of written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

We Report, that the managerial Remuneration for the year ended March 31st, 2021 has been paid to its directors in accordance with provision of section 197 and schedule v to the act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements.
 - ii. The Company do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Vivek Aneja
Partner

Place : Ludhiana
Dated: 31st May, 2021

M.NO.544757
UDIN NO -21544757AAAABH7930



"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (b) As explained to us the Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of regular intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company except for Land measuring 66.11 acres situated at village Jalalpur, chd-ambala road, Lalru district Mohali .
- ii. According to information and explanations given, the management has conducted the physical verification of inventory at reasonable intervals and no material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted loans, or given guarantees and security. So the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable. However, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made.
- v. The Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the sub section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that prima facie the prescribed records have been maintained. We have, however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Employees' State Insurance and Value Added Tax which have not been deposited as at 31st March, 2021 (excluding amount deposited under protest) on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Forum where dispute is pending
Punjab VAT Act, 2005	Sales Tax demand	20.99	DETC Appeal, Ludhiana
	Sales Tax demand	36.75	Sales Tax Tribunal, Chandigarh
The Central Excise Act, 1944	Excise Duty Demand	303.31	Commissioner Appeal, Chandigarh
	Excise Duty Demand	405.55	Dy. Commissioner, Alwar
Finance Act, 1994	Service Tax Demand	10.09	Dy. Commissioner, Ludhiana
	Service Tax Demand	9.27	The Supreme Court of India
	Service Tax Demand	5.88	CESTAT, Jaipur
	Service Tax Demand	27.86	Joint Commissioner, Jaipur
	Service Tax Demand	166.72	Commissioner Appeal Chandigarh
The Income Tax Act 1961	Income Tax Demand	1,134.12	CIT (Appeals), Ludhiana
The Employee's State Insurance Act 1948	ESI Demand	29.98	Civil Judge (Sr. Div.) ESI Court, Ludhiana

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and government. The company did not have any outstanding debentures during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised monies 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 to us by the management, the remuneration paid by the Company to its Managing Director for year ended 31st March , 2021 is in accordance with requisite approvals mandated by the provision of section 197 read with schedule v to the 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 the Act, where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has made private placement of preference shares



during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

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

- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or

persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

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

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

Vivek Aneja
Partner

M.NO.544757

UDIN NO -21544757AAAABH7930

Place : Ludhiana

Dated: 31st May, 2021

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

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

We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vivek Aneja
Partner

M.NO.544757

UDIN NO -21544757AAAABH7930

Place : Ludhiana

Dated: 31st May, 2021



BALANCE SHEET AS AT 31st March, 2021

Particulars	Note No.	As At 31 st March, 2021 (₹ in Lacs)	As At 31 st March, 2020 (₹ in Lacs)
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	3	48,765.37	52,610.10
b) Capital work in progress		1,153.37	1,719.32
c) Investment Property	4	4,601.61	3,623.23
d) Other Intangible assets	5	--	--
e) Financial Assets			
i) Investments	6a	8,025.05	8,024.11
ii) Loans	6b	1,060.27	1,400.12
f) Other non current assets	7	33.25	40.63
Total Non-Current Assets		63,638.92	67,417.51
Current Assets			
a) Inventories	8	51,431.22	59,387.59
b) Financial Assets			
i) Trade receivable	9a	19,794.29	20,355.40
ii) Cash and cash equivalents	9b	14.78	61.76
iii) Other bank balances	9c	107.72	194.37
iv) Loans	9d	54.98	54.92
v) Other Financial assets	9e	2,578.66	2,979.41
c) Current Tax Assets (Net)	10	357.04	260.68
d) Other Current Assets	11	18,707.74	13,382.44
Total Current Assets		93,046.43	96,676.57
TOTAL ASSETS		156,685.35	164,094.08
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	4,003.42	4,003.42
b) Other Equity	13	69,411.61	69,462.67
Total Equity		73,415.03	73,466.09
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	14a	12,943.93	14,392.33
ii) Other Financial Liabilities	14b	213.84	177.84
b) Provisions	15	--	165.91
c) Deferred tax liabilities (Net)	16	--	328.20
d) Other non-current liabilities	17	63.96	76.26
Total Non-Current Liabilities		13,221.73	15,140.54
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18a	51,777.02	49,799.65
ii) Trade Payables	18b	9,176.50	14,692.75
iii) Other Financial Liabilities	18c	7,969.66	9,964.80
b) Other Current Liabilities	19	984.88	1,027.61
c) Provisions	20	140.53	2.64
Total Current Liabilities		70,048.59	75,487.45
TOTAL EQUITY AND LIABILITIES		156,685.35	164,094.08

The accompanying notes form an integral part of these financial statements 1 to 47

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants
FRN : 030088N

Vivek Aneja
Partner
M.No. : 544757
Place : Ludhiana
Dated : 31st May, 2021

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

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



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2021

Particulars	Note No.	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
INCOME			
Revenue from Operations	21	141,802.66	157,272.70
Other Income	22	840.16	1,221.16
Total Revenue		142,642.82	158,493.86
EXPENSES			
Cost of Materials Consumed	23	72,691.81	79,876.36
Purchases of stock-in-trade	24	4,212.29	2,811.38
Change in inventories of Finished Goods, Work-in-Progress and stock in trade	25	8,908.04	7,383.98
Employee Benefit Expense	26	13,021.85	17,668.47
Finance Costs	27	5,722.80	6,469.41
Depreciation and Amortisation Expense	3,4,5	5,762.01	7,097.98
Other Expenses	28	33,614.79	40,432.56
Total Expenses		143,933.59	161,740.14
Loss Before Tax		(1,290.77)	(3,246.28)
CSR expenses u/s 135 of Companies Act, 2013		--	(68.14)
Loss Before Tax		(1,290.77)	(3,314.42)
Tax expense	29		
Deferred tax		(377.53)	(777.08)
Loss After Tax for the period		(913.24)	(2,537.34)
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Re-measurement gains (losses) on defined benefit plans		141.19	363.17
Income tax effect on the above		(49.33)	(126.90)
(ii) Net Gain/(loss) on FVOCI equity instruments		0.94	(0.11)
Income tax effect on the above		--	--
Total Other Comprehensive Income/(Loss)		92.80	236.16
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		(820.44)	(2,301.18)
Basic and diluted earnings per equity share (Face value of equity share ₹10 each)	36	(2.29)	(6.37)

The accompanying notes form an integral part of these financial statements **1 to 47**

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

Vivek Aneja
Partner
M.No. : 544757
Place : Ludhiana
Dated : 31st May, 2021

Mukesh Sood
Company Secretary

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Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2021

Particulars	2020-21 (₹ in Lacs)	2019-20 (₹ in Lacs)
(A) Cash Flow from Operating Activities		
Net Loss before Tax	(1,290.77)	(3,246.28)
Adjustment for:		
Depreciation	5,762.01	7,097.98
Power & fuel Exp	--	71.69
Other Income	(10.92)	(145.43)
Diminution in value of investment	--	315.38
Rent	6.26	6.26
Remeasurement of defined benefit plan	141.19	363.17
Sundry balances written back (Net)	(16.40)	(33.49)
Profit on sale of Property, Plant and Equipment (Net)	(153.71)	(342.27)
Interest Income	(107.30)	(303.58)
Rent Income	(540.23)	(358.69)
Interest Expense	5,722.80	6,469.41
Operating Profit before Working Capital Changes	9,512.93	9,894.15
Adjustment for:		
Trade receivable & other assets	(3,934.52)	4,497.20
Inventories	7,956.37	6,508.51
Trade Payables & Other Liabilities	(5,934.85)	(3,571.96)
Cash Generated from operations	7,599.93	17,327.90
Direct Taxes Paid	(96.36)	(80.27)
Net Cash from Operating Activities	7,503.57	17,247.63
(B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment (Inc. investment property)	(3,077.94)	(5,590.49)
Sale of Property, Plant and Equipment (Inc. investment property)	901.93	1,570.18
Interest Received	105.61	303.58
Rent Income	540.23	358.69
Net cash used in Investing Activities	(1,530.17)	(3,358.04)
(C) Cash Flow from Financing Activities		
Interest Expenses	(5,555.30)	(6,338.76)
Dividend paid	(21.65)	(0.21)
Proceeds from Long Term Borrowings (Net)	(3,420.80)	(9,828.58)
Changes in Working Capital Borrowings	1,977.37	(1,607.18)
Issue of Preference Share	1,000.00	3,900.00
Preference Share Issue expenses	--	(18.75)
Net Cash used in Financing Activities	(6,020.38)	(13,893.48)
Net Change in Cash & Cash Equivalents (A+B+C)	(46.98)	(3.89)
Opening Cash & Cash Equivalents	61.76	65.65
Closing Cash & Cash Equivalents	14.78	61.76

- Notes:** 1. Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
2. Figures in brackets represent deduction.
3. Refer Note no-45, debt reconciliation as per Ind AS-7 "Statement of Cash Flows".

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES

Chartered Accountants
FRN : 030088N

Vivek Aneja
Partner
M.No. : 544757
Place : Ludhiana
Dated : 31st May, 2021

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

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



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

Particulars	2020-21 (₹ in Lacs)	2019-20 (₹ in Lacs)
A. Equity Share Capital		
Balance at the beginning of the reporting year	4,003.42	4,003.42
Changes in Equity Share Capital during the reporting year	--	--
Balance at the closing of the reporting year	<u>4,003.42</u>	<u>4,003.42</u>

B. Other Equity

Particulars	Reserve & Surplus					Total
	Security Premium	Corporate Social Responsibility Reserve	General Reserve	Retained Earnings	Equity Component of compound Financial Instruments (Preference Share)	
Balance as at 1st April, 2019 (a)	33,454.08	83.25	29,420.27	--	2,429.01	65,386.61
Loss for the year	--	--	--	(2,537.34)	--	(2,537.34)
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	236.27	--	236.27
Other Comprehensive Income/(Loss)	--	--	--	(0.11)	--	(0.11)
Total Comprehensive Income for the year (b)	--	--	--	(2,301.18)	--	(2,301.18)
CSR Expense Paid	--	(83.59)	--	--	--	(83.59)
Equity component of preference share	--	--	--	--	6,392.69	6,392.69
Transfer from Profit and Loss	--	68.14	--	--	--	68.14
Transfer from Retained Earning	--	--	(2,301.18)	--	--	(2,301.18)
Transfer to General Reserve	--	--	--	2,301.18	--	2,301.18
Total (c)	--	(15.45)	(2,301.18)	2,301.18	6,392.69	6,377.24
Balance as at 31st March, 2020 (d) = (a+b+c)	33,454.08	67.80	27,119.09	--	8,821.70	69,462.67
Loss for the year	--	--	--	(913.24)	--	(913.24)
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	91.86	--	91.86
Other Comprehensive Income/(Loss)	--	--	--	0.94	--	0.94
Total Comprehensive Income for the year (e)	--	--	--	(820.44)	--	(820.44)
CSR Expense Paid	--	(67.80)	--	--	--	(67.80)
Equity component of preference share	--	--	--	--	837.18	837.18
Transfer from Retained Earning	--	--	(820.44)	--	--	(820.44)
Transfer to General Reserve	--	--	--	820.44	--	820.44
Total (f)	--	(67.80)	(820.44)	820.44	837.18	769.38
Balance as at 31st March, 2021 (g) = (d+e+f)	33,454.08	--	26,298.65	--	9,658.88	69,411.61

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

Vivek Aneja
Partner
M.No. : 544757
Place : Ludhiana
Dated : 31st May, 2021

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

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



Notes to Financial Statements for the year ended 31st March, 2021

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 Limited 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 the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act (as amended from time to time).

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

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

(ii) Historical Cost Convention

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

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

(iii) Rounding of amounts

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

(iv) Application of New Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standard for amendments to the existing standards. There is no such notifications which would have been applicable from 1st April 2021.

(b) Fair Value Measurement

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

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

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

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

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

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



Notes to Financial Statements for the year ended 31st March, 2021

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 division II of 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.

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 companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

(e) Investment properties

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

(f) Intangible assets Computer Software

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

(g) Impairment of Non-financial assets

An impairment loss recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost of disposal and value in use.



Notes to Financial Statements for the year ended 31st March, 2021

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

(h) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. However to determine the cost, the following methods are adopted:-

- 1) a) For Raw Material on weighted average method plus direct expenses.
- b) For Stores and Spares on weighted average method plus direct expenses
- c) For Work - in - Process, cost of Raw Material plus appropriate share of manufacturing expenses /relevant Overheads/conversion cost depending upon the stage of completion.
- 2) For Finished goods, cost of raw material plus conversion costs, packing cost and other overheads incurred to bring the inventories to their present condition and location.
- 3) Further Wastage are valued at net realizable value only

(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

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as net over the periods necessary to match them on systematic basis to the cost, which it is intended to compensate. When the grant relates to an asset, the government grant related to asset is presented by deducting the grant in arriving at the carrying amount of the asset.

(k) Provisions, Contingent liabilities and Contingent Assets

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

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

(l) Foreign currency translation**Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency

**Notes to Financial Statements for the year ended 31st March, 2021**

(i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

(m) Revenue recognition

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

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

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

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

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

Sale of goods

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

Rendering of services

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

(ii) **Export Incentives**- Export incentives are recognized on post export basis.

(iii) **Interest income** - Interest income from debt instruments is recognized using the effective interest rate method.

(iv) **Dividend income** - Dividends are recognized in profit or loss only when the right to receive payment is established

(v) **Rental Income**- Rental income is accounted for on accrual basis.

(vi) **Scrap** (i.e empties, wastage etc. Other than production) is accounted for on sale basis

(vii) **Income and other Claims** -Revenue in respect of claims is recognized when no Significant uncertainty exists with regard to the amount to be realised and ultimate Collection thereof .

(n) Short-term leases and leases of low-value assets:

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(o) Income Tax

Income tax expense comprises current income tax and deferred tax.

Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or



Notes to Financial Statements for the year ended 31st March, 2021

substantively enacted, at the reporting date.

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized

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

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

(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 balances with banks.

(q) Trade receivables

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

(r) Financial instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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:



Notes to Financial Statements for the year ended 31st March, 2021

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

Fair Value through Profit or Loss:

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

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

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

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.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.



Notes to Financial Statements for the year ended 31st March, 2021

(s) Offsetting financial instruments

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

(t) Derivative financial instruments

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

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

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

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

(ii) Post-employment obligations

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

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

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the Statement of Profit and Loss.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. 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, Sugar and Others.

(w) 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 when payment is 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.

(x) 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



Notes to Financial Statements for the year ended 31st March, 2021

profit or loss over the period of the borrowings using effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. 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.

(y) 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 29
- Estimation of defined benefit obligation -- Note 40
- Recognition of deferred tax assets for carried forward tax losses -- Note 16

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



Notes to Financial Statements for the year ended 31st March, 2021
3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2020	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2021	Upto 31.03.2020	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Lease hold Land	123.49	--	--	123.49	32.86	1.25	--	34.11	89.38	90.63
Freehold Land	8,735.27	--	*1.11	8,734.16	--	--	--	--	8,734.16	8,735.27
Building	33,583.50	1,239.14	225.30	34,597.34	18,530.19	956.86	90.92	19,396.13	15,201.21	15,053.31
Plant & Machinery	148,569.64	931.80	1,780.78	147,720.66	120,674.10	4,329.69	1,175.23	123,828.56	23,892.10	27,895.54
Furniture & Fixtures	955.57	57.52	2.09	1,011.00	820.15	42.04	1.71	860.48	150.52	135.42
Office Equipment	1,163.42	121.02	4.18	1,280.26	1,063.30	44.23	3.93	1,103.60	176.66	100.12
Vehicles	1,749.72	165.08	68.15	1,846.65	1,149.91	235.90	60.50	1,325.31	521.34	599.81
TOTAL	194,880.61	2,514.56	2,081.61	195,313.56	142,270.51	5,609.97	1,332.29	146,548.19	48,765.37	52,610.10
Previous Year	199,580.48	4,079.97	8,779.84	194,880.61	142,844.36	6,979.79	7,553.64	142,270.51	52,610.10	56,736.12
4. INVESTMENT PROPERTY										
Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2020	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2021	Upto 31.03.2020	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Freehold Land	594.20	*120.01	--	714.21	--	--	--	--	714.21	594.20
Building	3,623.98	1,010.41	--	4,634.39	594.95	152.04	--	746.99	3,887.40	3,029.03
TOTAL	4,218.18	1,130.42	--	5,348.60	594.95	152.04	--	746.99	4,601.61	3,623.23
Previous Year	2,027.72	2,195.39	4.93	4,218.18	480.00	118.19	3.24	594.95	3,623.23	1,547.72
*Addition during the year includes amount of ₹ 1.11 lacs in Gross block that is Transferred from property, plant & equipments.										
Amount recognised in profit and loss for investment properties:										
Particulars					31st March, 2021				31st March, 2020	
Rental Income					518.45				346.81	
Direct operating expenses that generated rental income					152.04				118.19	
Profit/(loss) from leasing of investment properties					366.41				228.62	
5. OTHER INTANGIBLE ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2020	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2021	Upto 31.03.2020	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Computer Software	458.31	--	--	458.31	458.31	--	--	458.31	--	--
TOTAL	458.31	--	--	458.31	458.31	--	--	458.31	--	--
Previous Year	458.31	--	--	458.31	458.31	--	--	458.31	--	--



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
6a. Investments		
(i) Investment in Equity Instrument		
Investment in Associates (Unquoted) (Cost)		
180,000 Fully Paid Up Equity shares of ₹ 100/- each of J.L. Growth Fund Limited (Previous Year 180,000)	1,684.80	1,684.80
250,000 Fully Paid Up Equity shares of ₹ 100/- each of Vardhman Investment Limited (Previous Year 250,000)	1,475.00	1,475.00
164,000 Fully Paid Up Equity shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	1,066.00	1,066.00
10,228,441 Fully Paid Up Equity shares of ₹ 10/- each of Cotton County Retail Limited (Previous Year 10,228,441)	3,793.12	3,793.12
Sub Total	<u>8,018.92</u>	<u>8,018.92</u>
(ii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Quoted)		
12,555 Fully Paid Up Equity shares of ₹ 10/- each of Pasupati Acrylon Ltd. (Previous Year 12,555)	1.77	0.83
50 Fully Paid Up Equity shares of ₹ 10/- each of Malwa Cotton Spinning Mills Limited (Previous Year 50)	0.02	0.02
Sub Total	<u>1.79</u>	<u>0.85</u>
(iii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Unquoted)		
30,900- Fully paid up Equity shares ₹ 10/- each of BPL Engineering Ltd. (Previous Year 30,900)	2.80	2.80
22,500- Fully paid up Equity shares ₹ 10/- each of Pertech Computer Ltd. (Previous Year 22,500)	0.23	0.23
7,700 Fully Paid up Equity shares ₹ 10/- each of R.S. Petro Chemical Ltd. (Previous Year 7,700)	0.08	0.08



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
3,360 - Fully paid up Equity shares ₹ 100/- each of Nagdevi Trading & Investment Co. Ltd. (Previous Year 3,360)	0.51	0.51
3,558,786- Fully paid up Class-'A' Equity shares ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,558,786)	0.36	0.36
One Fully paid up Equity share ₹ 100/- of Punjab State Co-operative Bank Ltd. (Previous Year One) (Cost ₹ 100)	--	--
One Fully paid up Equity shares ₹ 5,000/- each of Krishna Building Owners Association (Previous Year One)	0.05	0.05
Sub Total	4.03	4.03
(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 ₹ 10 each of VS Lignite Power Pvt. Ltd. (Previous Year 3,156,958)	0.31	0.31
Sub Total	0.31	0.31
TOTAL (i+ii+iii+iv)	8,025.05	8,024.11
1. Market Value of Quoted Investment	1.79	0.85
2. Aggregate amount of Unquoted Investment	8,023.26	8,023.26
3. Aggregate amount of Total Investment	8,025.05	8,024.11
6b. Loans (Unsecured, considered good)		
Security deposits	1,060.27	1,400.12
Total	1,060.27	1,400.12
7. Other Non-Current Assets		
Capital Advances	12.85	12.85
Prepaid Lease Rentals	18.77	25.03
Prepaid Expense	1.63	2.75
Total	33.25	40.63



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
8. Inventories (As taken, valued and approved by management)		
Raw Materials	24,371.22	20,746.96
Work-in-Progress	3,675.23	4,322.65
Finished Goods	20,763.07	29,023.69
Stores and Spares	2,621.70	5,294.29
Total	51,431.22	59,387.59
8.1 Detail of Inventory-Finished Goods		
Yarn	3,069.80	3,433.66
Fabrics	7,758.18	10,768.63
Sugar	8,507.29	13,496.12
Other	1,427.80	1,325.28
Total	20,763.07	29,023.69
9a. Trade receivables		
Unsecured, considered good	19,794.29	20,355.40
Total	19,794.29	20,355.40
9b. Cash and cash equivalents		
Balances with banks - current accounts	2.46	34.91
Cash-in-Hand	12.32	26.85
Total	14.78	61.76
9c. Other bank balances		
Unpaid Dividend Account	82.72	104.37
Fixed deposit having original maturity more than 3 months but less than 12 months	25.00	90.00
Total	107.72	194.37
9d. Loans		
Loans to employees	54.98	54.92
Total	54.98	54.92
9e. Other Financial assets		
Other Financial assets	--	0.85
Government Grant Receivables	2,578.66	2,978.56
Total	2,578.66	2,979.41
10. Current tax assets (Net)		
Advance/TDS Certificate/Paid	357.04	260.68
Total	357.04	260.68



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
11. Other current assets		
Advances to suppliers	7,467.69	1,977.04
Advances to employees	35.37	43.68
Balance with government authorities	10,353.41	10,605.06
Prepaid expenses	497.57	501.64
Prepaid Lease rentals	6.26	6.26
Gratuity fund	306.08	--
Expense recoverable	41.36	248.76
Total	18,707.74	13,382.44
12. Equity Share Capital		
Authorized:		
50,000,000 Equity Shares of ₹ 10/- each (Previous Year 50,000,000)	5,000.00	5,000.00
12,500,000 Preference Shares of ₹ 100/- each (Previous Year 12,500,000)	12,500.00	12,500.00
Total	17,500.00	17,500.00
Issued, Subscribed and Fully Paid up :		
39,835,141 Equity Shares of ₹ 10/- each (Previous Year 39,835,141)	3,983.51	3,983.51
Add: Share Forfeited Account (Amount originally paid up)	19.91	19.91
Total	4,003.42	4,003.42
11,620,000 Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 10,620,000)	*11,620.00	10,620.00
Total	11,620.00	10,620.00
* ₹ 9,658.88 Lacs (Previous Year ₹ 8,821.70 Lacs) shown as Equity Component of Compound financial instruments under the head Other Equity (note no. 13)		
* ₹ 2,205.25 Lacs (Previous Year ₹ 1,852.04 Lacs) shown as Liability Component of Compound financial instruments under the head Borrowings (note no. 14a(ii))		
* ₹ 82.50 Lacs being statutory fees paid in earlier years was reduced and shown as net in Rate & Taxes in note no. 28(b) as per Ind-AS		
* ₹ 326.63 Lacs (Previous Year ₹ 136.24 Lacs) shown as interest expense provided under the head finance cost upto 31st March 2021 as per Ind-AS (note no. 27)		
a. Reconciliation of the number of Shares outstanding :		
Equity		
At the beginning of the year	39,835,141	39,835,141
Outstanding at the end of year	39,835,141	39,835,141
Preference		
At the beginning of the year	10,620,000	6,720,000
Add: Shares Issued during the year	1,000,000	3,900,000
Outstanding at the end of year	11,620,000	10,620,000
b. Terms/rights attached to Shares:		
Equity Shares		
The Company has only one class of Equity Shares having Face value of ₹ 10/- each. Holder of Equity Share is entitled to only one vote per share.		
Preference Shares		
The Company has Issued 5.5% Unlisted Non-Convertible Non-Cumulative Redeemable Preference Shares of the face value of ₹ 100/- each (NCNCRPS).		
NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.		



Notes to Financial Statements for the year ended 31st March, 2021

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

Particulars	As At 31st March, 2021		As At 31st March, 2020	
	Number	% of holding	Number	% of holding
Equity Share				
J.L. Growth Fund Ltd.	6,446,456	16.18	6,446,456	16.18
Vardhman Investment Ltd.	3,915,131	9.83	3,915,131	9.83
Oswal Woolen Mills Ltd.	2,094,819	5.26	2,094,819	5.26
Nagdevi Trading & Investment Co. Ltd.	2,354,279	5.91	2,354,279	5.91
Kovalam Investment & Trading Co. Ltd.	6,168,408	15.48	6,168,408	15.48
Atam Vallabh Financiers Ltd.	3,212,679	8.06	3,212,679	8.06
Vanaik Investor Ltd.	2,753,275	6.91	2,773,275	6.96
Preference Share				
Cotton Country Retail Ltd.	7,620,000	65.58	7,620,000	71.75
Nahar Capital & Financial Services Ltd.	4,000,000	34.42	3,000,000	28.25

Particulars	As at 31 st March, 2021 (₹ in Lacs)		As at 31 st March, 2020 (₹ in Lacs)	
13. Other Equity				
Securities Premium Account				
Balance as per last Balance Sheet		33,454.08		33,454.08
Equity Component of Compound financial instruments (Preference Shares)				
Balance as per last Balance Sheet	8,821.70		2,429.01	
Add: Addition during the year	<u>837.18</u>	9,658.88	<u>6,392.69</u>	8,821.70
Corporate Social Responsibility Reserve				
Balance as per last Balance Sheet	67.80		83.25	
Add : Transfer from Profit & Loss	--		68.14	
Less : Corporate social Responsibility Expense Paid	<u>67.80</u>	--	<u>83.59</u>	67.80
General Reserve				
Balance as per last Balance Sheet	27,119.09		2,9420.27	
Add: Transfer from Retained Earning	<u>(820.44)</u>	26,298.65	<u>(2,301.18)</u>	27,119.09
Retained Earnings				
Balance as per last Balance Sheet	--		--	
Add: Loss for the year	(913.24)		(2,537.34)	
Add: Remeasurement gain/(loss) on defined benefit plan	91.86		236.27	
Add: Other Comprehensive income	0.94		(0.11)	
Balance Transferred to General Reserve	<u>(820.44)</u>	--	<u>(2,301.18)</u>	--
Total		<u>69,411.61</u>		<u>69,462.67</u>



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
14a. Borrowings		
*Term loans (Secured)		
From Banks	8,572.18	12,540.29
Others Unsecured		
i) Loans and advances from related parties	2,166.50	--
ii) Liability component of Compound financial instruments Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Share (NCNCRPS)	2,205.25	1,852.04
Total	<u>12,943.93</u>	<u>14,392.33</u>

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

Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2021.

14a.1 Terms of repayment of long term borrowings:
i) Terms of Repayment of term loans

As At 31st March, 2021 (₹ in Lacs)*	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2021 No.	Periodicity
1,411.64	6	10	Quarterly
746.00	8	1	Quarterly
409.00	5	2	Quarterly
611.99	5	7	Quarterly
2,047.77	5	7	Quarterly
3,612.00	5	13	Quarterly
2,407.77	5	13	Quarterly
654.83	13.75	49	Quarterly
532.00	1.5	4	Monthly
54.00	1.5	3	Monthly
140.00	1.5	3	Monthly
178.17	1.5	5	Monthly
130.76	1.5	4	Monthly
327.30	2.5	20	Monthly
4.92	5	32	Monthly
15.46	3	11	Monthly
130.90	3	11	Monthly
24.09	3	23	Monthly
56.32	5	44	Monthly
<u>13,494.92</u>			

* Figures of term loan stated in para 14a .1 (i) includes current maturities of Long term debt shown separately in notes no. 18c and exclude ₹ 7.81 Lacs transaction cost amortised over the period of Term loan.

- Term Loan from State Bank of India, Indian Bank, Punjab National Bank, Punjab & Sind Bank, Canara Bank, Bank of Baroda and Union Bank of India are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalapur, Chandigarh Ambala Road, Lalru, Distt. Mohali, Industrial Focal Point, Phase-VIII, Village Mundian, Distt. Ludhiana, Village Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khlijuriwas, Bhiwadi, Distt. Alwar (Rajasthan), Focal Point Phase IV Ludhiana (Punjab) and Village Salana Jeon Singh Wala, Tehsil Amloh,



Notes to Financial Statements for the year ended 31st March, 2021

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.

- Term Loan (secured) includes ₹ 231.69 Lacs as vehicle loan taken from Yes Bank, ICICI Bank & HDFC Bank against hypothecation of the respective Vehicles only.
 - Loan and advances received from related party will be paid after one year.
 - Term loan include ₹ 1,362.23 Lacs as common covid -19 emergency credit line received from the working capital banks and are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.
- ii) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.

Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2020.

14a.2 Terms of repayment of long term borrowings:

- i) Terms of Repayment of term loans

As At 31st March, 2020 (₹ in Lacs)*	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2020 No.	Periodicity
1,857.51	6	14	Quarterly
145.92	8	1	Quarterly
3,738.00	8	5	Quarterly
988.36	5	6	Quarterly
68.07	4	1	Quarterly
981.31	5	11	Quarterly
2,968.25	5	11	Quarterly
4,050.00	5	17	Quarterly
3,008.00	5	17	Quarterly
708.27	13.75	53	Quarterly
6.46	5	44	Monthly
30.68	3	23	Monthly
413.61	3	23	Monthly
35.21	3	35	Monthly
13.51	9	1	Monthly
69.07	5	56	Monthly
<u>19,082.23</u>			

* Figures of term loan stated in para 14a .2 (i) includes current maturities of Long term debt shown separately in notes no. 18c and exclude ₹ 12.73 Lacs transaction cost amortised over the period of Term loan.

- Term Loan from IDBI Bank Limited, State Bank of India, Allahabad Bank, Punjab National Bank, Punjab & Sind Bank, Canara Bank, Bank of Baroda 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 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.
 - Term Loan (Secured) includes ₹ 568.54 Lacs as vehicle loan taken from Yes Bank & HDFC Bank against hypothecation of the respective Vehicles only.
- ii) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
14b. Other Financial Liabilities		
Security deposit	213.84	177.84
Total	213.84	177.84
15. Provisions		
Provision for Gratuity	--	165.91
Total	--	165.91
16. Deferred Tax Liabilities (net)		
Deferred Tax Liability		
Relating to Property, plant and equipment	--	2,588.46
Deferred Tax Assets		
Disallowance u/s 43B of the Income Tax Act, 1961, brought forward losses and other etc.	--	2,260.26
Total	--	328.20
Note: We have made deferred tax assets to the extent of outstanding deferred tax liability. In the absence of virtual certainty regarding available of taxable income against which deferred tax asset can be realised, the excess deferred tax asset has not been recognised.		
17. Other Non-current Liabilities		
Deferred Income	63.96	76.26
Total	63.96	76.26
18a. Borrowings		
From Banks		
Loans repayable on demand	*51,777.02	49,799.65
Total	51,777.02	49,799.65

18a.1 *Include ₹ 3,331.82 Lacs as common covid -19 emergency credit line received from the working capital banks due within one year.

18a.2 Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.

18b. Trade Payables		
Micro, Small and Medium Enterprises	167.10	3,191.65
Others	9,009.40	11,501.10
Total	9,176.50	14,692.75

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

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	167.10	3,191.65
- 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, 2021**

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
-------------	--	--

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

18c. Other Financial Liabilities

Unpaid Dividend	82.72	104.37
Due to Employees	1,976.88	2,204.00
Derivative Liability	84.55	121.72
Current Maturities	4,914.93	6,529.21
Others	910.58	1,005.50
Total	7,969.66	9,964.80

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

19. Other Current Liabilities

Statutory dues payables	494.02	399.14
Advance from customers	362.76	530.62
Deferred Income	12.34	12.34
Others	115.76	85.51
Total	984.88	1,027.61

20. Provisions

Provision for Employee Benefits	140.53	2.64
Total	140.53	2.64

**Notes to Financial Statements for the year ended 31st March, 2021**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
21. Revenue from Operations		
Sale of Products	134,508.65	148,515.38
Sale of services	762.28	915.37
Miscellaneous sales	4,417.95	6,015.84
Other operating revenue		
Export Incentives	2,113.78	1,826.11
Total	141,802.66	157,272.70
21.1 Details of Products Sold		
Yarn	69,304.49	58,988.03
Fabrics	46,602.81	72,395.13
Sugar	17,583.23	15,926.15
Others	6,198.35	8,137.28
Total	139,688.88	155,446.59
22. Other Income		
Interest income	107.30	303.58
Rental Income	540.23	358.69
Profit on sale of Fixed Assets	163.89	378.33
Others	28.74	180.56
Total	840.16	1,221.16
23. Cost of Materials Consumed		
Opening stock	20,746.96	21,543.28
Add : Purchases (Net)	76,316.07	79,080.04
Less : Closing Stock	24,371.22	20,746.96
Total	72,691.81	79,876.36
23.1 Detail of Cost of Material Consumed		
Fibres	57,314.70	62,105.08
Yarn	2,934.22	3,920.14
Sugarcane	12,053.27	13,264.58
Others	389.62	586.56
Total	72,691.81	79,876.36
24. Purchases of stock-in-trade		
Yarn	3,880.75	1,252.91
Fibre/Waste	330.03	1,513.29
Fabrics/Garments	1.51	45.18
Total	4,212.29	2,811.38
25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	4,322.65	5,420.10
Finished Goods	29,023.69	35,310.22
Total	33,346.34	40,730.32
Less: Closing Stock		
Work-in-progress	3,675.23	4,322.65
Finished Goods	20,763.07	29,023.69
Total	24,438.30	33,346.34
Total	8,908.04	7,383.98



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
26. Employee Benefits Expense		
Salary, Wages and Other Allowances	11,496.77	15,623.15
Contribution to provident and other funds	1,402.64	1,906.58
Staff welfare expenses	117.29	124.77
Staff Recruitment & Development expenses	5.15	13.97
Total	13,021.85	17,668.47
27. Finance cost		
Interest Expense	5,394.66	5,880.49
MTM loss/(gain) on forward Contracts	(37.17)	267.71
Other Borrowings Cost	365.31	321.21
Total	5,722.80	6,469.41
28. Other expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	8,897.41	13,311.91
Power and Fuel	18,290.11	20,048.14
Handling and Restacking charges	291.10	374.07
Machinery Repairs and Maintenance	501.25	691.32
Sub Total	27,979.87	34,425.44
b. Administrative & Other Expenses		
Rent	42.90	44.31
Rates & Taxes	188.02	199.77
Insurance	640.25	564.37
Legal & Professional Expenses	148.86	276.03
Travelling & Conveyance*	29.08	333.08
Vehicle Repair & Maintenance	1,412.69	1,728.80
Repairs and Maintenance	246.29	268.37
Payment To Auditor	13.40	12.86
Loss on Sale/Discard of Fixed Assets	10.18	36.06
Diminution in Value of Investment	--	315.38
Directors Remuneration	312.16	259.68
Directors' Meeting Fees	5.00	3.90
Charity & Donation	0.05	0.11
Miscellaneous Expenses	349.69	220.80
Sub Total	3,398.57	4,263.52
*Include Director Travelling of ₹ 17.14 Lacs (Previous Year ₹ 55.25 Lacs)		
c. Selling Expenses		
Forwarding and Octroi	1,581.11	1,245.03
Commission & Brokerage	655.24	498.57
Sub Total	2,236.35	1,743.60
Total (a+b+c)	33,614.79	40,432.56
28.1 Payment to Auditors		
As Auditor:		
Audit fee	8.47	8.47
Tax audit fee	3.29	3.29
In other capacity:	0.61	0.58
Reimbursement of expenses	1.03	0.52
Total	13.40	12.86



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
29. Tax Expense		
Current Tax	—	—
Deferred Tax	<u>(377.53)</u>	<u>(777.08)</u>
Total	<u>(377.53)</u>	<u>(777.08)</u>
29.1 Reconciliation of tax liability of book profit/(Loss) vis-a-vis actual Tax Liability		
Accounting Loss Before Tax	(1,290.77)	(3,314.42)
Enacted Tax Rate	34.944%	34.944%
Current Tax Income	(451.05)	(1,158.19)
Less : Reversal of deferred tax on temporary differences etc.	(73.52)	(381.11)
Income Tax Expenses reported in the Statement of Profit & Loss	<u>(377.53)</u>	<u>(777.08)</u>

30. CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) Letter of Credits in favour of suppliers and others ₹ 3,616 Lacs (Previous Year ₹ 4,750 Lacs)
- b) Bank Guarantees in favour of suppliers and others ₹ 1,187.89 Lacs (Previous Year ₹ 808.79 Lacs)
- c) Sales tax demands against which the company has preferred appeals ₹ 57.74 Lacs (Previous Year ₹ 57.74 Lacs)
- d) Income tax demands against which the company has preferred appeals ₹ 1,134.12 Lacs (Previous Year ₹ 1,288.62 Lacs.)
- e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 928.68 Lacs on various matters under the Central Excise Rules (Previous Year ₹ 929.85 Lacs). The Company has filed suitable reply with the concerned authorities.
- f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 1,154.10 Lacs (Previous Year ₹ 1,134.10 Lacs) in favour of the President of India for fulfilment of its obligation under the rules made Central Excise Act, 1944 and Customs Act, 1962.
- g) Claims of ₹ 3,967.49 Lacs (Previous Year ₹ 3,967.49 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.
- h) Employees State Insurance corporation has raised demand of ₹ 124.62 Lacs (Previous Year ₹ 124.62 Lacs) The Company deposited ₹ 94.64 Lacs (Previous Year ₹ 94.64 Lacs) against the said demand .The company has filed the Civil Suit before the Civil Judge (Sr. Div.), ESI Court , Ludhiana
- i) Advances recoverable amount includes ₹ 609.56 Lacs (Previous Year ₹ 609.56 Lacs) on account of GST paid under protest as mentioned in the Note No. 32 (i) of the balance sheet as at 31st March, 2019.

31. Capital Commitment

Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ` Nil Lacs (Previous Year ₹ 59.72 Lacs).

32. The Company has undertaken export obligations of ₹ 25,419.42 Lacs (Previous Year ₹ 24,166.95 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 ₹ 23,839.73 Lacs (Previous Year ₹ 22,587.26 Lacs) have been fulfilled up to 31 March, 2021.

33. In March, 2020, World Health Organisation (WHO) had declared the outbreak of Novel Coronavirus "Covid-19" as a



Notes to Financial Statements for the year ended 31st March, 2021

pandemic. Complying with the directives of Government, the plant and offices of the company had been under lock-down for few months, resulting thereto, the operations for the year have been impacted. Post lockdown, the company has gradually resumed its manufacturing operations to normal. However, the recent second wave of covid-19 has resulted in re-imposition of partial lockdowns/restrictions in various states, which might continue to impact the company's performance. The company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future.

- 34. In the opinion of the Board of Directors, the Current Assets and Loans & Advances have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet, unless stated otherwise.
- 35. Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2021 for ₹ 2,611.64 Lacs (Previous Year ₹ 1,211.48 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.

36. Earnings Per Share (EPS) (Ind AS-33)

Particulars	2020-21	2019-20
Loss after Tax (₹ in Lacs)	(913.24)	(2,537.34)
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 (₹)	(2.29)	(6.37)

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

(₹ in Lacs)

	Textile		Sugar		Others		Total	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Segment Revenue								
Total Revenue	1,20,735.20	137,948.05	19,396.06	18,118.77	65.55	24.64	1,40,196.81	156,091.46
Less: Inter Segment Revenue							507.93	644.87
Net Revenue							1,39,688.88	155,446.59
Segment Results								
Profit/ (Loss) before interest & tax	3,052.09	1,023.19	1,713.63	2,768.33	(333.69)	(568.39)	4,432.03	3,223.13
Less: Interest							5,722.80	6,469.41
Profit / (Loss) Before tax							(1,290.77)	(3,246.28)
Segment Assets	120,115.10	124,954.50	15,665.33	19,624.04	20,904.92	19,515.54	156,685.35	164,094.08
Segment Liabilities	54,599.73	55,026.15	10,047.11	13,521.84	764.62	830.26	65,411.46	69,378.25
Capital Employed								
Segment Assets- Segment Liabilities	65,515.37	69,928.35	5,618.22	6,102.20	20,140.30	18,685.28	91,273.89	94,715.83



Notes to Financial Statements for the year ended 31st March, 2021

38. 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.
- Associates:** J.L.Growth Fund Limited*, Vardham Investment Limited, Atam Vallabh Financers Limited, Cotton County Retail Limited*
 - Key Management Personnel:** Sh. Jawahar Lal Oswal (Chairman), Sh. Kamal Oswal (Vice Chairman-cum-Managing Director), Sh. Abhinav Oswal (Executive Director) appointed w.e.f. 1st September, 2020, Sh. Dinesh Oswal (Non-Executive Director), Sh. Dinesh Gogna (Non-Executive Director), Sh. Navdeep Sharma (Non-Executive Director), Dr. (Mrs.) H.K. Bal (Non-Executive Director), Sh. Parvinder Singh Pruthi (Non-Executive Director), Sh. A.S. Chatha, IAS (Retd) (Non-Executive Director), Dr. Vijay Asdhir (Non-Executive Director), Dr. Suresh Kumar Singla (Non-Executive Director), Sh. Ved Parkash Gaur (Non-Executive Director), Mrs. Manisha Gupta (Non-Executive Director), Dr. Roshan Lal Behl (Non-Executive Director), Sh. Bharat Bhushan Gupta (Chief Financial Officer), Sh. Mukesh Sood (Company Secretary)
 - Relatives of Key Management Personnel:** Mrs. Abhilash Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mrs. Ruchika Oswal, Mrs. Monika Oswal, Mr. Rishab Oswal, Mr. Abhinav Oswal
 - *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., Monte Carlo Fashion Limited, Nahar Poly Films Limited, Hug Foods Pvt. Ltd., Oswal Foundation (Regd.), Abhilash Growth Fund Pvt. Ltd., Nahar Industrial Infrastructure Corporation Ltd., Amlah Industries Limited.
- b) Detail of transactions entered into with related parties during the year:

Particulars	Associates		Key Management Personnel		Enterprises in which Key Manager Personnel and relative of such personnel is able to exercise significant influence or control		Relative of Key Management Personnel	
	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020
Purchase of goods	4.37	58.87	--	--	10,947.56	5,890.27	--	--
Sales of Goods	(9.33)	5.71	--	--	13,856.23	14,005.33	--	--
Purchase of fixed assets	--	1.63	--	--	--	33.42	--	--
Sale of fixed assets	--	--	--	--	13.11	88.96	--	--
Freight Income	--	--	--	--	441.72	561.54	--	--
Sale of FMP/FMS license	--	--	--	--	86.78	328.13	--	--
Processing charges received	--	--	--	--	154.23	73.64	--	--
Interest Expenses	1.19	--	--	--	66.67	9.61	--	--
Interest Received	--	--	--	--	--	0.54	--	--
Rent received	--	7.08	15.00	15.00	12.74	1.42	--	--
Rent paid	19.29	25.72	--	--	--	--	--	--
Reimbursement of Expenses Received	3.00	5.83	--	--	195.45	425.56	--	--
Reimbursement of Expenses Paid	--	--	--	--	34.82	31.15	--	--
Issuance of Preference Share	--	900.00	--	--	1,000.00	3,000.00	--	--
Director Meeting Fee	--	--	5.90	4.60	--	--	--	--
Remuneration	--	--	--	--	--	--	37.71	58.12
Loan received	160.00	--	--	--	2,006.50	1,150.00	--	--
Loan Paid	--	--	--	--	--	1,150.00	--	--
Corporate Social Responsibility (CSR) Activities	--	--	--	--	67.80	83.25	--	--
Balance Receivable/(Payable) (net)	(163.52)	(51.31)	--	--	(1,576.92)	247.49	--	--

* Related parties with whom transaction has taken place during the year

**Notes to Financial Statements for the year ended 31st March, 2021****Remuneration of KMP**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
i) Short Term benefits	361.10 #	314.50 #
ii) Post Employment Benefits	60.37	46.30
Total	421.47	360.80

Included Remuneration paid to Vice Chairman-cum-Managing Director and Executive Director of ₹ 323.22 Lacs during the current year and ₹ 262.15 Lacs during the previous year

39. 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.

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.

Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.



Notes to Financial Statements for the year ended 31st March, 2021

40. Post Retirement Benefits Plan (Ind AS 19)

Defined Benefit Plan

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

Particulars	31st March 2021 (₹ in Lacs)	31st March 2020 (₹ in Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	2,905.83	3,117.36
Interest cost	170.55	204.77
Current service cost	336.11	399.34
Actuarial loss/(gain) - Experience Changes	(116.76)	148.02
Actuarial loss / (gains) Financial Assumption	(6.16)	(497.08)
Benefits paid	(397.23)	(466.58)
	<u>2,892.34</u>	<u>2,905.83</u>
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,739.92	2,544.05
Interest income on plan assets	180.79	180.67
Employer Contributions	656.67	467.67
Return on plan assets greater/(lesser) than discount Rates	18.27	14.11
Benefits paid	(397.23)	(466.58)
	<u>3,198.42</u>	<u>2,739.92</u>
Breakup of Actuarial gain/loss:		
Actuarial (gain)/loss on arising from change in financial assumption	(6.16)	(497.08)
Actuarial (gain)/loss on arising from experience adjustment	(116.76)	148.02
Return on plan assets (greater)/less than discount rate	(18.27)	(14.11)
	<u>(141.19)</u>	<u>(363.17)</u>
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	2,892.34	2,905.83
Fair value of plan assets as at the end of the year	3,198.42	2,739.92
	<u>306.08</u>	<u>(165.91)</u>



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
Amount recognized in the statement of profit and loss		
Current service cost	336.11	399.34
Interest cost	170.55	204.77
Interest Income on plan assets	(180.79)	(180.67)
	325.87	423.44
(Income)/Expense recognized in the statement of profit and loss		
Remeasurements recognized in the statement of Other Comprehensive Income (OCI)		
Experience Adjustments	(116.76)	148.02
Changes in Financial Assumptions	(6.16)	(497.08)
Return on plan assets (greater)/lesser than discount Rates	(18.27)	(14.11)
	(141.19)	(363.17)
Net Loss/(Gain) recognized in other comprehensive income		
Plan assets information		
Insurer Manage Funds	100%	100%
Actuarial assumptions		
Discount rate	6.10%	6.30%
Salary Escalation Rate	3.50% for the 1st year starting April 2021 and 5% thereafter	0 % for the 1st year starting April 2020 5% thereafter
Employee turnover Rate	12.00%	12.00%

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

Sensitivity analysis for gratuity liability

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%	(73.09)	(73.22)
b) Impact due to decrease of 0.50%	77.00	77.30

Impact of change in salary Escalation Rate

a) Impact due to increase of 0.50%	75.53	76.70
b) Impact due to decrease of 0.50%	(72.44)	(61.35)

Impact of change in Employee turnover Rate

a) Impact due to increase of 0.50%	17.49	27.33
b) Impact due to decrease of 0.50%	(41.49)	(56.02)

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, 2021

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

Gratuity	6 Years	6 Years
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The following are the expected future benefits payments for the defined benefit plan : (₹ in Lacs)

Particulars	31st March 2021	31st March 2020
Description		
March 31, 2021	--	546.25
March 31, 2022	506.01	394.12
March 31, 2023	396.97	422.23
March 31, 2024	458.76	463.85
March 31, 2025	420.94	440.77
March 31, 2026	451.42	--
March 31, 2026 to March 31, 2030	--	2,385.02
March 31, 2027 to March 31, 2031	2,357.24	--

41. Fair Value Measurement

(a) Financial Instruments by category and hierarchy

For amortised cost instruments, carrying value represents the best estimate of fair value. (₹ in Lacs)

Particulars	As At 31st March, 2021			As at 31st March, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment						
- Equity instruments	--	5.82	--	--	4.88	--
- Preference Share	--	--	0.31	--	--	0.31
Loans (Non Current)	--	--	1,060.27	--	--	1,400.12
Trade receivables	--	--	19,794.29	--	--	20,355.40
Cash and cash equivalents	--	--	14.78	--	--	61.76
Other Bank Balance	--	--	107.72	--	--	194.37
Loans (Current)	--	--	54.98	--	--	54.92
Other financial assets	--	--	2,578.66	--	--	2,979.41
Total Financial Assets	--	5.82	23,611.01	--	4.88	25,046.29

Particulars	As At 31st March, 2021			As at 31st March, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings (Non current)	--	--	12,943.93	--	--	14,392.33
Security deposit	--	--	213.84	--	--	177.84
Borrowings (Current)	--	--	51,777.02	--	--	49,799.65
Trade payable	--	--	9,176.50	--	--	14,692.75
Unpaid dividend	--	--	82.72	--	--	104.37
Due to Employees	--	--	1,976.88	--	--	2,204.00
Derivative Liability	84.55	--	--	121.72	--	--
Current Maturities	--	--	4,914.93	--	--	6,529.21
Other financial liability	--	--	910.58	--	--	1,005.50
Total Financial Liabilities	84.55	--	81,996.40	121.72	--	88,905.65



Notes to Financial Statements for the year ended 31st March, 2021

(b) Fair value hierarchy

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

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

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments	1.79	--	4.03	0.85	--	4.03
Total	1.79	--	4.03	0.85	--	4.03
Financial liabilities						
Derivative Liability	84.55	--	--	121.72	--	--
Total	84.55	--	--	121.72	--	--

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

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Preference Share	--	--	0.31	--	--	0.31
Loans (Non Current)	--	--	1,060.27	--	--	1,400.12
Trade receivables	--	--	19,794.29	--	--	20,355.40
Cash and cash equivalents	--	--	14.78	--	--	61.76
Other Bank Balance	--	--	107.72	--	--	194.37
Loans (Current)	--	--	54.98	--	--	54.92
Other financial assets	--	--	2,578.66	--	--	2,979.41
Total Financial assets	--	--	23,611.01	--	--	25,046.29

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Borrowings (Non current)	--	--	12,943.93	--	--	14,392.33
Security deposit	--	--	213.84	--	--	177.84
Borrowings (Current)	--	--	51,777.02	--	--	49,799.65
Trade payable	--	--	9,176.50	--	--	14,692.75
Unpaid dividend	--	--	82.72	--	--	104.37
Due to Employees	--	--	1,976.88	--	--	2,204.00
Current Maturities	--	--	4,914.93	--	--	6,529.21
Other Financial Liability	--	--	910.58	--	--	1,005.50
Total Financial Liabilities	--	--	81,996.40	--	--	88,905.65



Notes to Financial Statements for the year ended 31st March, 2021

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

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

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

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

Particulars	As At 31 st March, 2021		As At 31 st March, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Preference Share	0.31	0.31	0.31	0.31
Loans	1,060.27	1,060.27	1,400.12	1,400.12
Total	1,060.58	1,060.58	1,400.43	1,400.43
Financial liabilities				
Borrowings	12,943.93	12,943.93	14,392.33	14,392.33
Security deposit	213.84	213.84	177.84	177.84
Total	13,157.77	13,157.77	14,570.17	14,570.17

The carrying amounts of trade receivables, other financial assets & liabilities, trade payables, other bank balances 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 counter party 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.

42. Financial risk management objectives and policies

The Company's principle 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 investments, loans, trade and other receivables, cash & cash equivalents and other bank balances that derive directly from its operations.

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



Notes to Financial Statements for the year ended 31st March, 2021

(A) Market risk

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

a) Interest rate risk

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

Particulars	As At 31st March 2021 (₹ in Lacs)	As At 31st March 2020 (₹ in Lacs)
Variable rate borrowings	65,264.13	68,869.15
Fixed rate borrowings	4,371.75	1,852.04
Total	69,635.88	70,721.19

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:

Particulars	As at 31st March 2021 (₹ in Lacs)	As at 31st March 2020 (₹ in Lacs)	Effect on Profit Before Tax
Increase by 50 basis points	(326.32)	(344.35)	
Decrease by 50 basis points	326.32	344.35	

b) Foreign currency risks

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

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

Particulars	As At 31st March 2021 (₹ in Lacs)	As At 31st March 2020 (₹ in Lacs)
Trade Payable		
-USD	160.41	170.30
-EUR	4.89	4.33
-CHF	--	0.82

**Notes to Financial Statements for the year ended 31st March, 2021****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	As at 31st March 2021 (₹ in Lacs)	Effect on Profit Before Tax
		As at 31st March 2020 (₹ in Lacs)
USD Sensitivity		
Decrease by 5%	8.02	8.52
Increase by 5%	(8.02)	(8.52)
EUR Sensitivity		
Decrease by 5%	0.24	0.22
Increase by 5%	(0.24)	(0.22)
CHF Sensitivity		
Decrease by 5%	--	0.04
Increase by 5%	--	(0.04)

ii) Foreign Currency Exposure (Forward Booking)

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

Category wise Quantitative Data Type Contract	As At 31st March 2021 (₹ in Lacs)	As At 31st March 2020 (₹ in Lacs)
Forward contracts against Exports (US \$)	1,193.26	3,073.92
Forward contracts against imports (US \$)	15,820.84	--

(B) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, 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



Notes to Financial Statements for the year ended 31st March, 2021

Financial assets that expose the entity to credit risk:

Particulars	As At 31st March 2021 (₹ in Lacs)	As At 31st March 2020 (₹ in Lacs)
Low credit risk on reporting date		
Investments	8,025.05	8,024.11
Loans(non-current)	1,060.27	1,400.12
Trade receivables	19,794.29	20,355.40
Cash and cash equivalents	14.78	61.76
Other bank balances	107.72	194.37
Loans(current)	54.98	54.92
Other financial asset	2,578.66	2,979.41
Total	31,635.75	33,070.09
Moderate credit risk	--	--
High credit risk	--	--

Cash & cash equivalents and bank deposits

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

Trade receivables

Credit risk related to trade receivables are mitigated by taking Credit insurance for domestic sales/letter of credit for export sales, which results in low credit risk. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The company assesses increase in credit risk on an ongoing basis for amount receivable that become past due and default is consider to have occurred when amount's receivable become 365 days past due.

Gross carrying amount of trade receivables

Particulars	As At 31st March 2021	As At 31st March 2020
(₹ in Lacs)		
Ageing		
Not due	18,852.72	17,689.53
0-60 days past due	280.33	1,763.38
61-120 days past due	65.79	276.43
121-180 days past due	32.32	177.69
181-365 days past due	199.08	190.23
More than 365 days past due	364.05	258.14
Total	19,794.29	20,355.40

Other financial assets measured at amortised cost

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

(C) Liquidity risk

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

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



Notes to Financial Statements for the year ended 31st March, 2021

(₹ in Lacs)

Particulars	As At 31st March 2021	As At 31st March 2020
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured : Cash credit facilities	11,222.98	13,200.35
(b) Expiring beyond one year (Bank loans)		
Secured : Term loan from banks	–	–

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

(₹ in Lacs)

Particulars	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total undiscounted contractual cash flows	Carrying amount of liabilities
Year ended 31 March 2021						
Contractual maturities of borrowings	56,691.95	5,231.52	2,960.88	387.59	65,271.94	65,264.13
Loan & Advances from related party (Unsecured)	--	2,166.50	--	--	2,166.50	2,166.50
5.5% Non convertible non cumulative	--	--	--	11,620.00	11,620.00	2,205.25
Redeemable Preference Share (Unsecured)						
Contractual maturities of trade payable	9,176.50	--	--	--	9,176.50	9,176.50
Contractual maturities of security deposit received	--	140.87	153.86	--	294.73	213.84
Contractual maturities of other financial liabilities	2,887.46	--	--	--	2,887.46	2,887.46
Unpaid Dividend	82.72	--	--	--	82.72	82.72
TOTAL	68,838.63	7,538.89	3,114.74	12,007.59	91,499.85	81,996.40

(₹ in Lacs)

Particulars	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total undiscounted contractual cash flows	Carrying amount of liabilities
Year ended 31 March 2020						
Contractual maturities of borrowings	56,328.85	5,770.20	6,355.18	427.65	68,881.88	68,869.15
5.5% Non convertible non cumulative	--	--	--	10,620.00	10,620.00	1,852.04
Redeemable Preference Share (Unsecured)						
Contractual maturities of trade payable	14,692.75	--	--	--	14,692.75	14,692.75
Contractual maturities of security deposit received	--	78.99	189.10	--	268.09	177.84
Contractual maturities of other financial liabilities	3,209.50	--	--	--	3,209.50	3,209.50
Unpaid Dividend	104.37	--	--	--	104.37	104.37
TOTAL	74,335.47	5,849.19	6,544.28	11,047.65	97,776.59	88,905.65

43. Capital Management

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



Notes to Financial Statements for the year ended 31st March, 2021

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Borrowings	69,635.88	70,721.19
Trade payables	9,176.50	14,692.75
Less: Cash and cash equivalents	14.78	61.76
Net debt (A)	78,797.60	85,352.18
Equity (B)	73,415.03	73,466.09
Capital and net debt (A+B)	152,212.63	1,58,818.27
Gearing ratio	51.77	53.74

44. The company is covered under the provision of the section 135 of the companies act, 2013.

Particulars	(₹ in Lacs)	
	As at 31 st March 2021	As at 31 st March 2020
The amount required to be spent	Nil	68.14
The amount spent	Nil	68.14

In accordance with the provisions of section 135 of the Companies Act 2013, the board of directors of the company had constituted a CSR committee. The company had decided to carry out its CSR activities through a consortium formed by group companies as per scheme of CSR. During the financial year 2020-21 there is Nil liability under CSR as calculated under the provisions of section 135 of the Companies Act 2013.

CSR expenditure incurred of Rs. 12.50 lacs during the financial year 2020-21 is eligible to be set of against the CSR spending mandate of succeeding three financial years.

45. Reconciliation of changes in liabilities arising from the financing activities including both changes arising from the cash flows and non-cash changes as per the requirement of the IndAS-7 "Statement of Cash Flows"

Particulars	(₹ in Lacs)		
	Long-term borrowing (Including current maturities)	Short-term borrowing	Total
As at 1st April, 2020	20,921.54	49,799.65	70,721.19
Cash flows:			
Proceeds from borrowings (Covid Loan)	5,255.00	--	5,255.00
Proceeds from others	2,166.50	--	2,166.50
Proceeds from Issue of Preference Share	1,000.00	--	1,000.00
Repayment of borrowings	(6,949.24)	(1,354.45)	(8,303.69)
Repayment of borrowings (Covid Loan)	(560.96)	--	(560.96)
Covid Loan due within one year	(3,331.82)	3,331.82	--
Ind AS Adjustment:			
Impact of adjustment on borrowings/preference shares	195.02	--	195.02
Equity component of Preference share	(837.18)	--	(837.18)
As at 31st March, 2021	17,858.86	51,777.02	69,635.88

46. Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.

47. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever considered necessary to make them comparable.



Independent Auditor's Report

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

Report on the audit of Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS Financial Statements of Nahar Industrial Enterprises Limited (hereinafter referred to as "the Investor Company") and its associates, which comprise of the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (Including Other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the associates referred to, below in the other matter paragraph, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Investor company and its associates as at 31st March, 2021, and their consolidated loss (including other comprehensive income), their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis For Opinion

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

Emphasis Of Matters

We draw attention to note no 33 of the consolidated financial Statements, which describe the uncertainties and the impact of COVID -19 pandemic on the company's operations and results as assessed by management. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have not come across with any key audit matter during the audit.

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

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

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

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an



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

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

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

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable

user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS Financial Statements.

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

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

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

Other Matters

The consolidated Ind AS Financial Statements include the Investor company's share of I-GAAP (Loss) of ₹ 0.74 Crores for the year ended 31st March, 2021 from one Associate (Cotton County Retail Limited) which have been audited by us.

We did not audit the I-GAAP Financial Statements of three companies being an associates (J.L. Growth Funds Limited, Vardhman Investment Limited and Atam Vallabh Financers Limited) whose financial statements/financial information reflect the Investor company's share of I-GAAP profit after tax of ₹ 1.21 crores as considered in the consolidated Ind AS Financial Statements. These Financial Statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

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



Consolidated Cash Flow Statement, the Consolidated Statement of Changes In Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS Financial Statements.

- (d) In our opinion, the aforesaid consolidated Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Investor Company as on 31st March, 2021 taken on record by the Board of Directors of the Investor Company and the report of the statutory auditor of its associate companies incorporated in India, none of the directors of the Investor company and its associate companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' which is based on the auditor's reports of the Investor Company and its associate companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Investor Company and its Associate companies internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

We Report, that the managerial Remuneration for the year ended March 31st, 2021 has been paid to its directors in accordance with provision of section 197 and schedule v to the act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Investor Company, and its associates.
 - The Investor Company and its associates does not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Investor Company during the year ended 31st March, 2021.

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

Vivek Aneja
Partner
M.NO.544757

Place : Ludhiana
Dated: 31st May, 2021

UDIN NO-21544757AAAABI9889

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March, 2021, We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited (hereinafter referred to as "the Investor Company") and its associate companies which are incorporated in India, as of that date .

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Investor company and its associate companies, based on our audit. We conducted our audit in

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to explanations given to us and based on the consideration of reports of the other auditors, the Investor Company and its associate companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Investor Company and its associate companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

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

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

Vivek Aneja
Partner

Place : Ludhiana
Dated: 31st May, 2021

M.NO.544757
UDIN NO-21544757AAAABI9889



CONSOLIDATED BALANCE SHEET AS AT 31st March, 2021

Particulars	Note No.	As At 31 st March, 2021 (₹ in Lacs)	As At 31 st March, 2020 (₹ in Lacs)
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	3	48,765.37	52,610.10
b) Capital work in progress		1,153.37	1,719.32
c) Investment Property	4	4,601.61	3,623.23
d) Other Intangible assets	5	--	--
e) Financial Assets			
i) Investments	6a	9,105.40	9,058.06
ii) Loans	6b	1,060.27	1,400.12
f) Other non current assets	7	33.25	40.63
Total Non-Current Assets		64,719.27	68,451.46
Current Assets			
a) Inventories	8	51,431.22	59,387.59
b) Financial Assets			
i) Trade receivable	9a	19,794.29	20,355.40
ii) Cash and cash equivalents	9b	14.78	61.76
iii) Other bank balances	9c	107.72	194.37
iv) Loans	9d	54.98	54.92
v) Other Financial assets	9e	2,578.66	2,979.41
c) Current Tax Assets (Net)	10	357.04	260.68
d) Other Current Assets	11	18,707.74	13,382.44
Total Current Assets		93,046.43	96,676.57
TOTAL ASSETS		157,765.70	165,128.03
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	4,003.42	4,003.42
b) Other Equity	13	70,272.59	70,288.07
Total Equity		74,276.01	74,291.49
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	14a	12,943.93	14,392.33
ii) Other Financial Liabilities	14b	213.84	177.84
b) Provisions	15	--	165.91
c) Deferred tax liabilities (Net)	16	219.36	536.75
d) Other non-current liabilities	17	63.96	76.26
Total Non-Current Liabilities		13,441.09	15,349.09
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18a	51,777.02	49,799.65
ii) Trade Payables	18b	9,176.50	14,692.75
iii) Other Financial Liabilities	18c	7,969.66	9,964.80
b) Other Current Liabilities	19	984.89	1,027.61
c) Provisions	20	140.53	2.64
Total Current Liabilities		70,048.60	75,487.45
TOTAL EQUITY AND LIABILITIES		157,765.70	165,128.03

The accompanying notes form an integral part of these financial statements 1 to 48

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

Vivek Aneja
Partner
M.No. : 544757
Place : Ludhiana
Dated : 31st May, 2021

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

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



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2021

Particulars	Note No.	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
INCOME			
Revenue from Operations	21	141,802.66	157,272.70
Other Income	22	840.16	1,221.16
Total Revenue		142,642.82	158,493.86
EXPENSES			
Cost of Materials Consumed	23	72,691.81	79,876.36
Purchases of stock-in-trade	24	4,212.29	2,811.38
Change in inventories of Finished Goods, Work-in-Progress and stock in trade	25	8,908.04	7,383.98
Employee Benefit Expense	26	13,021.85	17,668.47
Finance Costs	27	5,722.80	6,469.41
Depreciation and Amortisation Expense	3,4,5	5,762.01	7,097.98
Other Expenses	28	33,614.79	40,432.56
Total Expenses		143,933.59	161,740.14
Loss Before Tax		(1,290.77)	(3,246.28)
CSR expenses u/s 135 of Companies Act, 2013		--	(68.14)
Share of Profit of equity accounted investments		51.49	1.38
Loss Before Tax		(1,239.28)	(3,313.04)
Tax expense	29		
1) Current tax		5.10	3.00
2) Deferred tax		(366.72)	(777.45)
Loss After Tax for the period		(877.66)	(2,538.59)
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Re-measurement gains (losses) on defined benefit plans		141.19	363.17
Income tax effect on the above		(49.33)	(126.90)
(ii) Net Gain/(loss) on FVOCI equity instruments		0.94	(0.11)
Income tax effect on the above		--	--
Total Other Comprehensive Income/(Loss)		92.80	236.16
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		(784.86)	(2,302.43)
Basic and diluted earnings per equity share (Face value of equity share ₹10 each)	36	(2.20)	(6.37)

The accompanying notes form an integral part of these financial statements **1 to 48**

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

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M.No. : 544757
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Managing Director
(DIN : 00493213)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	2020-21 (₹ in Lacs)	2019-20 (₹ in Lacs)
(A) Cash Flow from Operating Activities		
Net Loss before Tax	(1,239.28)	(3,244.90)
Adjustment for:		
Depreciation	5,762.01	7,097.98
Power & fuel Exp	--	71.69
Other Income	(10.92)	(145.43)
Diminution in value of investment	--	315.38
Rent	6.26	6.26
Remeasurement of defined benefit plan	141.19	363.17
Sundry balances written back (Net)	(16.40)	(33.49)
Profit on sale of Property, Plant and Equipment (Net)	(153.71)	(342.27)
Interest Income	(107.30)	(303.58)
Rent Income	(540.23)	(358.69)
Interest Expense	5,722.80	6,469.41
Share of (Profit) of associates	(51.49)	(1.38)
Operating Profit before Working Capital Changes	9,512.93	9,894.15
Adjustment for:		
Trade receivable & other assets	(3,934.52)	4,497.20
Inventories	7,956.37	6,508.51
Trade Payables & Other Liabilities	(5,934.85)	(3,571.96)
Cash Generated from operations	7,599.93	17,327.90
Direct Taxes Paid	(96.36)	(80.27)
Net Cash from Operating Activities	7,503.57	17,247.63
(B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment (Inc. investment property)	(3,077.94)	(5,590.49)
Sale of Property, Plant and Equipment (Inc. investment property)	901.93	1,570.18
Interest Received	105.61	303.58
Rent Income	540.23	358.69
Net cash used in Investing Activities	(1,530.17)	(3,358.04)
(C) Cash Flow from Financing Activities		
Interest Expenses	(5,555.30)	(6,338.76)
Dividend paid	(21.65)	(0.21)
Proceeds from Long Term Borrowings (Net)	(3,420.80)	(9,828.58)
Changes in Working Capital Borrowings	1,977.37	(1,607.18)
Issue of Preference Share	1,000.00	3,900.00
Preference Share Issue expenses	--	(18.75)
Net Cash used in Financing Activities	(6,020.38)	(13,893.48)
Net Change in Cash & Cash Equivalents (A+B+C)	(46.98)	(3.89)
Opening Cash & Cash Equivalents	61.76	65.65
Closing Cash & Cash Equivalents	14.78	61.76

Notes: 1. Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
2. Figures in brackets represent deduction.
3. Refer Note no-45, debt reconciliation as per IndAS-7 "Statement of Cash Flows".

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

Vivek Aneja
Partner
M.No. : 544757
Place : Ludhiana
Dated : 31st May, 2021

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Company Secretary

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Dinesh Gogna
Director
(DIN : 00498670)

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



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

Particulars	2020-21 (₹ in Lacs)	2019-20 (₹ in Lacs)
A. Equity Share Capital		
Balance at the beginning of the reporting year	4,003.42	4,003.42
Changes in Equity Share Capital during the reporting year	--	--
Balance at the closing of the reporting year	<u>4,003.42</u>	<u>4,003.42</u>

B. Other Equity

Particulars	Reserve & Surplus					Total
	Security Premium	Corporate Social Responsibility Reserve	General Reserve	Retained Earnings	Equity Component of compound Financial Instruments (Preference Share)	
Balance as at 1st April, 2019 (a)	33,454.08	83.25	30,246.92	--	2,429.01	66,213.26
Loss for the year	--	--	--	(2,538.59)	--	(2,538.59)
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	236.27	--	236.27
Other Comprehensive Income/(Loss)	--	--	--	(0.11)	--	(0.11)
Total Comprehensive Income for the year (b)	--	--	--	(2,302.43)	--	(2,302.43)
CSR Expense Paid	--	(83.59)	--	--	--	(83.59)
Equity component of preference share	--	--	--	--	6,392.69	6,392.69
Transfer from Profit and Loss	--	68.14	--	--	--	68.14
Transfer from Retained Earning	--	--	(2,302.43)	--	--	(2,302.43)
Transfer to General Reserve	--	--	--	2,302.43	--	2,302.43
Total (c)	--	(15.45)	(2,302.43)	2,302.43	6,392.69	6,377.24
Balance as at 31st March, 2020 (d) = (a+b+c)	33,454.08	67.80	27,944.49	--	8,821.70	70,288.07
Loss for the year	--	--	--	(877.66)	--	(877.66)
Remeasurement gain/(loss) on Defined benefit plan	--	--	--	91.86	--	91.86
Other Comprehensive Income/(Loss)	--	--	--	0.94	--	0.94
Total Comprehensive Income for the year (e)	--	--	--	(784.86)	--	(784.86)
CSR Expense Paid	--	(67.80)	--	--	--	(67.80)
Equity component of preference share	--	--	--	--	837.18	837.18
Transfer from Retained Earning	--	--	(784.86)	--	--	(784.86)
Transfer to General Reserve	--	--	--	784.86	--	784.86
Total (f)	--	(67.80)	(784.86)	784.86	837.18	769.38
Balance as at 31st March, 2021 (g) = (d+e+f)	33,454.08	--	27,159.63	--	9,658.88	70,272.59

As per our separate report of even date attached

For and on behalf of the Board

For K R AGGARWAL & ASSOCIATES
Chartered Accountants
FRN : 030088N

Vivek Aneja
Partner
M.No. : 544757
Place : Ludhiana
Dated : 31st May, 2021

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Dinesh Gogna
Director
(DIN : 00498670)

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

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 Limited 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 the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act (as amended from time to time).

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

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

(ii) Historical Cost Convention

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

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

(iii) Rounding of amounts

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

(iv) Application of New Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standard for amendments to the existing standards. There is no such notifications which would have been applicable from 1st April 2021.

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

Associates are all entities over which the company has significant influence but not control or joint control. This is generally the case where the company holds between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting (see (ii) below), after initially being recognized at cost. The financial Statements of Investee companies have been prepared as per I-GAAP accounting principal.

ii) Equity method

Under the equity method of accounting the investments are initially recognized at cost and adjusted thereafter to recognize the company's share of the post-acquisition profit or losses of the investee in profit and loss.

When the company's share of losses in an equity-accounted investment equals or exceeds its interests in the entity, including any other unsecured long-term receivables, the company 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 investment are tested for impairments in accordance with the policy described in note 2 (h) below.

(c) Fair Value Measurement

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

**Consolidated Notes to Financial Statements for the year ended 31st March, 2021**

to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Current versus non-current classification

All assets and liabilities have been classified as current or non current as per company's normal operating cycle and other criteria set out in the division II of 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.

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 companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

(f) Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on the basis of Written Down Value Method based on expected life span of assets which is in accordance with Schedule II of Companies Act, 2013. Significant parts of the property are depreciated separately based on their specific useful lives. Any gain or loss on disposal of investment properties is recognised in profit or loss account

(g) Intangible assets Computer Software

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

(h) Impairment of Non-financial assets

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

(i) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. However to determine the cost, the following methods are adopted:-

- 1) a) For Raw Material on weighted average method plus direct expenses.
b) For Stores and Spares on weighted average method plus direct expenses
c) For Work - in - Process, cost of Raw Material plus appropriate share of manufacturing expenses /relevant Overheads/conversion cost depending upon the stage of completion.
- 2) For Finished goods, cost of raw material plus conversion costs, packing cost and other overheads incurred to bring the inventories to their present condition and location.
- 3) Further Wastage are valued at net realizable value only

(j) Borrowing costs

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

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

(k) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as net over the periods necessary to match them on systematic basis to the cost, which it is intended to compensate. When the grant relates to an asset, the government grant related to asset is presented by deducting the grant in arriving at the carrying amount of the asset.

(l) Provisions, Contingent liabilities and Contingent Assets

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A present obligation that arises from past events where it is neither probable that an outflow of resources will be required to settle nor a reliable estimate of the amount cannot be made, is

**Consolidated Notes to Financial Statements for the year ended 31st March, 2021**

disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(m) Foreign currency translation**Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

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

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

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

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

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

Sale of goods

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

Rendering of services

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

(ii) Export Incentives- Export incentives are recognized on post export basis.**(iii) Interest income -** Interest income from debt instruments is recognized using the effective interest rate method.**(iv) Dividend income -** Dividends are recognized in profit or loss only when the right to receive payment is established**(v) Rental Income-** Rental income is accounted for on accrual basis.**(vi) Scrap** (i.e empties, wastage etc. Other than production) is accounted for on sale basis**(vii) Income and other Claims -**Revenue in respect of claims is recognized when no Significant uncertainty exists with regard to the amount to be realised and ultimate Collection thereof.**(o) Short-term leases and leases of low-value assets:**

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Consolidated Notes to Financial Statements for the year ended 31st March, 2021****(p) Income Tax**

Income tax expense comprises current income tax and deferred tax.

Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized

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

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

(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 balances with banks.

(r) Trade receivables

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

(s) Financial instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Fair Value through OCI:

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

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

Fair Value through Profit or Loss:

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

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

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

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.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

(t) Offsetting financial instruments

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

(u) Derivative financial instruments

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

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

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

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

(ii) Post-employment obligations

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

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

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the Statement of Profit and Loss.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. 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, Sugar and Others.

(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 when payment is 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.

(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.



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

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 29
- Estimation of defined benefit obligation -- Note 40
- Recognition of deferred tax assets for carried forward tax losses -- Note 16

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2021
3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2020	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2021	Upto 31.03.2020	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Lease hold Land	123.49	--	--	123.49	32.86	1.25	--	34.11	89.38	90.63
Freehold Land	8,735.27	--	*1.11	8,734.16	--	--	--	--	8,734.16	8,735.27
Building	33,583.50	1,239.14	225.30	34,597.34	18,530.19	956.86	90.92	19,396.13	15,201.21	15,053.31
Plant & Machinery	148,569.64	931.80	1,780.78	147,720.66	120,674.10	4,329.69	1,175.23	123,828.56	23,892.10	27,895.54
Furniture & Fixtures	955.57	57.52	2.09	1,011.00	820.15	42.04	1.71	860.48	150.52	135.42
Office Equipment	1,163.42	121.02	4.18	1,280.26	1,063.30	44.23	3.93	1,103.60	176.66	100.12
Vehicles	1,749.72	165.08	68.15	1,846.65	1,149.91	235.90	60.50	1,325.31	521.34	599.81
TOTAL	194,880.61	2,514.56	2,081.61	195,313.56	142,270.51	5,609.97	1,332.29	146,548.19	48,765.37	52,610.10
Previous Year	199,580.48	4,079.97	8,779.84	194,880.61	142,844.36	6,979.79	7,553.64	142,270.51	52,610.10	56,736.12
4. INVESTMENT PROPERTY										
Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2020	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2021	Upto 31.03.2020	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Freehold Land	594.20	*120.01	--	714.21	--	--	--	--	714.21	594.20
Building	3,623.98	1,010.41	--	4,634.39	594.95	152.04	--	746.99	3,887.40	3,029.03
TOTAL	4,218.18	1,130.42	--	5,348.60	594.95	152.04	--	746.99	4,601.61	3,623.23
Previous Year	2,027.72	2,195.39	4.93	4,218.18	480.00	118.19	3.24	594.95	3,623.23	1,547.72
*Addition during the year includes amount of ₹ 1.11 lacs in Gross block that is Transferred from property, plant & equipments.										
Amount recognised in profit and loss for investment properties:										
Particulars					31st March, 2021				31st March, 2020	
Rental Income					518.45				346.81	
Direct operating expenses that generated rental income					152.04				118.19	
Profit/(loss) from leasing of investment properties					366.41				228.62	
5. OTHER INTANGIBLE ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2020	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2021	Upto 31.03.2020	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Computer Software	458.31	--	--	458.31	458.31	--	--	458.31	--	--
TOTAL	458.31	--	--	458.31	458.31	--	--	458.31	--	--
Previous Year	458.31	--	--	458.31	458.31	--	--	458.31	--	--



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
6a. Investments		
(i) Investment in Equity Instrument		
Investment in Associates (Unquoted) (Cost)		
180,000 Fully Paid Up Equity shares of ₹ 100/- each of J.L. Growth Fund Limited (Previous Year 180,000)	1,684.80	1,684.80
Add: Accumulates profit from Associated Company	<u>862.67</u>	<u>746.51</u>
	2,547.47	2,431.31
250,000 Fully Paid Up Equity shares of ₹ 100/- each of Vardhman Investment Limited (Previous Year 250,000)	1,475.00	1,475.00
Add: Accumulates profit from Associated Company	<u>210.54</u>	<u>207.86</u>
	1,685.54	1,682.86
164,000 Fully Paid Up Equity shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	1,066.00	1,066.00
Add: Accumulates profit from Associated Company	<u>134.98</u>	<u>133.20</u>
	1,200.98	1,199.20
10,228,441 Fully Paid Up Equity shares of ₹ 10/- each of Cotton County Retail Limited (Previous Year 10,228,441)	3,793.12	3,793.12
Add: Accumulates profit/(loss) from Associated Company	<u>(127.84)</u>	<u>(53.62)</u>
Sub Total	<u>9,099.27</u>	<u>9,052.87</u>
(ii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Quoted)		
12,555 Fully Paid Up Equity shares of ₹ 10/- each of Pasupati Acrylon Ltd. (Previous Year 12,555)	1.77	0.83
50 Fully Paid Up Equity shares of ₹ 10/- each of Malwa Cotton Spinning Mills Limited (Previous Year 50)	0.02	0.02
Sub Total	<u>1.79</u>	<u>0.85</u>
(iii) Investment in Equity Instrument		
Investments at fair value through OCI		
Investment in others (Unquoted)		
30,900- Fully paid up Equity shares ₹ 10/- each of BPL Engineering Ltd. (Previous Year 30,900)	2.80	2.80
22,500- Fully paid up Equity shares ₹ 10/- each of Pertech Computer Ltd. (Previous Year 22,500)	0.23	0.23
7,700 Fully Paid up Equity shares ₹ 10/- each of R.S. Petro Chemical Ltd. (Previous Year 7,700)	0.08	0.08



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
3,360 - Fully paid up Equity shares ₹ 100/- each of Nagdevi Trading & Investment Co. Ltd. (Previous Year 3,360)	0.51	0.51
3,558,786- Fully paid up Class-'A' Equity shares ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,558,786)	0.36	0.36
One Fully paid up Equity share ₹ 100/- of Punjab State Co-operative Bank Ltd. (Previous Year One) (Cost ₹ 100)	--	--
One Fully paid up Equity shares ₹ 5,000/- each of Krishna Building Owners Association (Previous Year One)	0.05	0.05
Sub Total	4.03	4.03
(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 ₹ 10 each of VS Lignite Power Pvt. Ltd. (Previous Year 3,156,958)	0.31	0.31
Sub Total	0.31	0.31
TOTAL (i+ii+iii+iv)	9,105.40	9,058.06
1. Market Value of Quoted Investment	1.79	0.85
2. Aggregate amount of Unquoted Investment	9,103.61	9,057.21
3. Aggregate amount of Total Investment	9,105.40	9,058.06
6b. Loans (Unsecured, considered good)		
Security deposits	1,060.27	1,400.12
Total	1,060.27	1,400.12
7. Other Non-Current Assets		
Capital Advances	12.85	12.85
Prepaid Lease Rentals	18.77	25.03
Prepaid Expense	1.63	2.75
Total	33.25	40.63

**Consolidated Notes to Financial Statements for the year ended 31st March, 2021**

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
8. Inventories (As taken, valued and approved by management)		
Raw Materials	24,371.22	20,746.96
Work-in-Progress	3,675.23	4,322.65
Finished Goods	20,763.07	29,023.69
Stores and Spares	2,621.70	5,294.29
Total	51,431.22	59,387.59
8.1 Detail of Inventory-Finished Goods		
Yarn	3,069.80	3,433.66
Fabrics	7,758.18	10,768.63
Sugar	8,507.29	13,496.12
Other	1,427.80	1,325.28
Total	20,763.07	29,023.69
9a. Trade receivables		
Unsecured, considered good	19,794.29	20,355.40
Total	19,794.29	20,355.40
9b. Cash and cash equivalents		
Balances with banks - current accounts	2.46	34.91
Cash-in-Hand	12.32	26.85
Total	14.78	61.76
9c. Other bank balances		
Unpaid Dividend Account	82.72	104.37
Fixed deposit having original maturity more than 3 months but less than 12 months	25.00	90.00
Total	107.72	194.37
9d. Loans		
Loans to employees	54.98	54.92
Total	54.98	54.92
9e. Other Financial assets		
Other Financial assets	--	0.85
Government Grant Receivables	2,578.66	2,978.56
Total	2,578.66	2,979.41
10. Current tax assets (Net)		
Advance/TDS Certificate/Paid	357.04	260.68
Total	357.04	260.68



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
11. Other current assets		
Advances to suppliers	7,467.69	1,977.04
Advances to employees	35.37	43.68
Balance with government authorities	10,353.41	10,605.06
Prepaid expenses	497.57	501.64
Prepaid Lease rentals	6.26	6.26
Gratuity fund	306.08	--
Expense recoverable	41.36	248.76
Total	18,707.74	13,382.44
12. Equity Share Capital		
Authorized:		
50,000,000 Equity Shares of ₹ 10/- each (Previous Year 50,000,000)	5,000.00	5,000.00
12,500,000 Preference Shares of ₹ 100/- each (Previous Year 12,500,000)	12,500.00	12,500.00
Total	17,500.00	17,500.00
Issued, Subscribed and Fully Paid up :		
39,835,141 Equity Shares of ₹ 10/- each (Previous Year 39,835,141)	3,983.51	3,983.51
Add: Share Forfeited Account (Amount originally paid up)	19.91	19.91
Total	4,003.42	4,003.42
11,620,000 Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 10,620,000)	*11,620.00	10,620.00
Total	11,620.00	10,620.00
* ₹ 9,658.88 Lacs (Previous Year ₹ 8,821.70 Lacs) shown as Equity Component of Compound financial instruments under the head Other Equity (note no. 13)		
* ₹ 2,205.25 Lacs (Previous Year ₹ 1,852.04 Lacs) shown as Liability Component of Compound financial instruments under the head Borrowings (note no. 14a(ii))		
* ₹ 82.50 Lacs being statutory fees paid in earlier years was reduced and shown as net in Rate & Taxes in note no. 28(b) as per Ind-AS		
* ₹ 326.63 Lacs (Previous Year ₹ 136.24 Lacs) shown as interest expense provided under the head finance cost upto 31st March, 2021 as per Ind-AS (note no. 27)		
a. Reconciliation of the number of Shares outstanding :		
Equity		
At the beginning of the year	39,835,141	39,835,141
Outstanding at the end of year	39,835,141	39,835,141
Preference		
At the beginning of the year	10,620,000	6,720,000
Add: Shares Issued during the year	1,000,000	3,900,000
Outstanding at the end of year	11,620,000	10,620,000
b. Terms/rights attached to Shares:		
Equity Shares		
The Company has only one class of Equity Shares having Face value of ₹ 10/- each. Holder of Equity Share is entitled to only one vote per share.		
Preference Shares		
The Company has Issued 5.5% Unlisted Non-Convertible Non-Cumulative Redeemable Preference Shares of the face value of ₹ 100/- each (NCNCRPS).		
NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.		



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

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

Particulars	As At		As At	
	31st March, 2021		31st March, 2020	
Shareholders	Number	% of holding	Number	% of holding
Equity Share				
J.L. Growth Fund Ltd.	6,446,456	16.18	6,446,456	16.18
Vardhman Investment Ltd.	3,915,131	9.83	3,915,131	9.83
Oswal Woolen Mills Ltd.	2,094,819	5.26	2,094,819	5.26
Nagdevi Trading & Investment Co. Ltd.	2,354,279	5.91	2,354,279	5.91
Kovalam Investment & Trading Co. Ltd.	6,168,408	15.48	6,168,408	15.48
Atam Vallabh Financiers Ltd.	3,212,679	8.06	3,212,679	8.06
Vanaik Investor Ltd.	2,753,275	6.91	2,773,275	6.96
Preference Share				
Cotton Country Retail Ltd.	7,620,000	65.58	7,620,000	71.75
Nahar Capital & Financial Services Ltd.	4,000,000	34.42	3,000,000	28.25

Particulars	As at		As at	
	31 st March, 2021 (₹ in Lacs)		31 st March, 2020 (₹ in Lacs)	
13. Other Equity				
Securities Premium Account				
Balance as per last Balance Sheet		33,454.08		33,454.08
Equity Component of Compound financial instruments (Preference Shares)				
Balance as per last Balance Sheet	8,821.70		2,429.01	
Add: Addition during the year	837.18	9,658.88	6,392.69	8,821.70
Corporate Social Responsibility Reserve				
Balance as per last Balance Sheet	67.80		83.25	
Add : Transfer from Profit & Loss	--		68.14	
Less : Corporate social Responsibility Expenses Paid	67.80	--	83.59	67.80
General Reserve				
Balance as per last Balance Sheet	27,944.49		30,246.92	
Add: Transfer from Retained Earning	(784.86)	27,159.63	(2,302.43)	27,944.49
Retained Earnings				
Balance as per last Balance Sheet	--		--	
Add: Loss for the year	(877.66)		(2,538.59)	
Add: Remeasurement gain/(loss) on defined benefit plan	91.86		236.27	
Add: Other Comprehensive income	0.94		(0.11)	
Balance Transferred to General Reserve	(784.86)	--	(2,302.43)	--
Total		70,272.59		70,288.07



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
14a. Borrowings		
*Term loans (Secured)		
From Banks	8,572.18	12,540.29
Others Unsecured		
i) Loans and advances from related parties	2,166.50	--
ii) Liability component of Compound financial instruments Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Share (NCNCRPS)	2,205.25	1,852.04
Total	12,943.93	14,392.33

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

Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2021.

14a.1 Terms of repayment of long term borrowings:
i) Terms of Repayment of term loans

As At 31 st March, 2021 (₹ in Lacs)*	Repayment Period from origination (years)	Installments outstanding as on 31 st March, 2021 No.	Periodicity
1,411.64	6	10	Quarterly
746.00	8	1	Quarterly
409.00	5	2	Quarterly
611.99	5	7	Quarterly
2,047.77	5	7	Quarterly
3,612.00	5	13	Quarterly
2,407.77	5	13	Quarterly
654.83	13.75	49	Quarterly
532.00	1.5	4	Monthly
54.00	1.5	3	Monthly
140.00	1.5	3	Monthly
178.17	1.5	5	Monthly
130.76	1.5	4	Monthly
327.30	2.5	20	Monthly
4.92	5	32	Monthly
15.46	3	11	Monthly
130.90	3	11	Monthly
24.09	3	23	Monthly
56.32	5	44	Monthly
13,494.92			

* Figures of term loan stated in para 14a .1 (i) includes current maturities of Long term debt shown separately in notes no. 18c and exclude ₹ 7.81 Lacs transaction cost amortised over the period of Term loan.

- Term Loan from State Bank of India, Indian Bank, Punjab National Bank, Punjab & Sind Bank, Canara Bank, Bank of Baroda and Union Bank of India 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,



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

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.

- Term Loan (secured) includes ₹ 231.69 Lacs as vehicle loan taken from Yes Bank, ICICI Bank & HDFC Bank against hypothecation of the respective Vehicles only.
 - Loan and advances received from related party will be paid after one year.
 - Term loan include ₹ 1,362.23 Lacs as common covid -19 emergency credit line received from the working capital banks and are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.
- ii) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.

Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2020.

14a.2 Terms of repayment of long term borrowings:

- i) Terms of Repayment of term loans

As At 31st March, 2020 (₹ in Lacs)*	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2020 No.	Periodicity
1,857.51	6	14	Quarterly
145.92	8	1	Quarterly
3,738.00	8	5	Quarterly
988.36	5	6	Quarterly
68.07	4	1	Quarterly
981.31	5	11	Quarterly
2,968.25	5	11	Quarterly
4,050.00	5	17	Quarterly
3,008.00	5	17	Quarterly
708.27	13.75	53	Quarterly
6.46	5	44	Monthly
30.68	3	23	Monthly
413.61	3	23	Monthly
35.21	3	35	Monthly
13.51	9	1	Monthly
69.07	5	56	Monthly
19,082.23			

* Figures of term loan stated in para 14a .2 (i) includes current maturities of Long term debt shown separately in notes no. 18c and exclude ₹ 12.73 Lacs transaction cost amortised over the period of Term loan.

- Term Loan from IDBI Bank Limited, State Bank of India, Allahabad Bank, Punjab National Bank, Punjab & Sind Bank, Canara Bank, Bank of Baroda 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 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.
 - Term Loan (Secured) includes ₹ 568.54 Lacs as vehicle loan taken from Yes Bank & HDFC Bank against hypothecation of the respective Vehicles only.
- ii) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
14b. Other Financial Liabilities		
Security deposit	213.84	177.84
Total	213.84	177.84
15. Provisions		
Provision for Gratuity	--	165.91
Total	--	165.91
16. Deferred Tax Liabilities (net)		
Deferred Tax Liability		
Relating to Property, plant and equipment	--	2,588.46
Others	219.36*	208.55
Deferred Tax Assets		
Disallowance u/s 43B of the Income Tax Act, 1961, brought forward losses and other etc.	--	2,260.26
Total	219.36	536.75
<p>Note: We have made deferred tax assets to the extent of outstanding deferred tax liability. In the absence of virtual certainty regarding available of taxable income against which deferred tax asset can be realised, the excess deferred tax asset has not been recognised.</p> <p>*Deferred Tax Liability of Rs. 219.36 Lacs pertains to associates companies.</p>		
17. Other Non-current Liabilities		
Deferred Income	63.96	76.26
Total	63.96	76.26
18a. Borrowings		
From Banks		
Loans repayable on demand	*51,777.02	49,799.65
Total	51,777.02	49,799.65
18a.1	*Include ₹ 3,331.82 Lacs as common covid -19 emergency credit line received from the working capital banks due within one year.	
18a.2	Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.	
18b. Trade Payables		
Micro, Small and Medium Enterprises	167.10	3,191.65
Others	9,009.40	11,501.10
Total	9,176.50	14,692.75

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

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	167.10	3,191.65
- Interest thereon		



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
-------------	--	--

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

18c. Other Financial Liabilities

Unpaid Dividend	82.72	104.37
Due to Employees	1,976.88	2,204.00
Derivative Liability	84.55	121.72
Current Maturities	4,914.93	6,529.21
Others	910.58	1,005.50
Total	<u>7,969.66</u>	<u>9,964.80</u>

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

19. Other Current Liabilities

Statutory dues payables	494.02	399.14
Advance from customers	362.76	530.62
Deferred Income	12.34	12.34
Others	115.77	85.51
Total	<u>984.89</u>	<u>1,027.61</u>

20. Provisions

Provision for Employee Benefits	140.53	2.64
Total	<u>140.53</u>	<u>2.64</u>



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
21. Revenue from Operations		
Sale of Products	134,508.65	148,515.38
Sale of services	762.28	915.37
Miscellaneous sales	4,417.95	6,015.84
Other operating revenue		
Export Incentives	2,113.78	1,826.11
Total	141,802.66	157,272.70
21.1 Details of Products Sold		
Yarn	69,304.49	58,988.03
Fabrics	46,602.81	72,395.13
Sugar	17,583.23	15,926.15
Others	6,198.35	8,137.28
Total	139,688.88	155,446.59
22. Other Income		
Interest income	107.30	303.58
Rental Income	540.23	358.69
Profit on sale of Fixed Assets	163.89	378.33
Others	28.74	180.56
Total	840.16	1,221.16
23. Cost of Materials Consumed		
Opening stock	20,746.96	21,543.28
Add : Purchases (Net)	76,316.07	79,080.04
Less : Closing Stock	24,371.22	20,746.96
Total	72,691.81	79,876.36
23.1 Detail of Cost of Material Consumed		
Fibres	57,314.70	62,105.08
Yarn	2,934.22	3,920.14
Sugarcane	12,053.27	13,264.58
Others	389.62	586.56
Total	72,691.81	79,876.36
24. Purchases of stock-in-trade		
Yarn	3,880.75	1,252.91
Fibre/Waste	330.03	1,513.29
Fabrics/Garments	1.51	45.18
Total	4,212.29	2,811.38
25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-progress	4,322.65	5,420.10
Finished Goods	29,023.69	35,310.22
Total	33,346.34	40,730.32
Less: Closing Stock		
Work-in-progress	3,675.23	4,322.65
Finished Goods	20,763.07	29,023.69
Total	24,438.30	33,346.34
Total	8,908.04	7,383.98



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
26. Employee Benefits Expense		
Salary, Wages and Other Allowances	11,496.77	15,623.15
Contribution to provident and other funds	1,402.64	1,906.58
Staff welfare expenses	117.29	124.77
Staff Recruitment & Development expenses	5.15	13.97
Total	13,021.85	17,668.47
27. Finance cost		
Interest Expense	5,394.66	5,880.49
MTM loss/(gain) on forward Contracts	(37.17)	267.71
Other Borrowings Cost	365.31	321.21
Total	5,722.80	6,469.41
28. Other expenses		
a. Manufacturing Expenses		
Consumption of Stores, consumables & spare parts	8,897.41	13,311.91
Power and Fuel	18,290.11	20,048.14
Handling and Restacking charges	291.10	374.07
Machinery Repairs and Maintenance	501.25	691.32
Sub Total	27,979.87	34,425.44
b. Administrative & Other Expenses		
Rent	42.90	44.31
Rates & Taxes	188.02	199.77
Insurance	640.25	564.37
Legal & Professional Expenses	148.86	276.03
Travelling & Conveyance*	29.08	333.08
Vehicle Repair & Maintenance	1,412.69	1,728.80
Repairs and Maintenance	246.29	268.37
Payment To Auditor	13.40	12.86
Loss on Sale/Discard of Fixed Assets	10.18	36.06
Diminution in Value of Investment	--	315.38
Directors Remuneration	312.16	259.68
Directors' Meeting Fees	5.00	3.90
Charity & Donation	0.05	0.11
Miscellaneous Expenses	349.69	220.80
Sub Total	3,398.57	4,263.52
*Include Director Travelling of ₹ 17.14 Lacs (Previous Year ₹ 55.25 Lacs)		
c. Selling Expenses		
Forwarding and Octroi	1,581.11	1,245.03
Commission & Brokerage	655.24	498.57
Sub Total	2,236.35	1,743.60
Total (a+b+c)	33,614.79	40,432.56
28.1 Payment to Auditors		
As Auditor:		
Audit fee	8.47	8.47
Tax audit fee	3.29	3.29
In other capacity:	0.61	0.58
Reimbursement of expenses	1.03	0.52
Total	13.40	12.86



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
29. Tax Expense		
Current Tax	5.10	3.00
Deferred Tax	(366.72)	(777.45)
Total	(361.62)	(774.45)
29.1 Reconciliation of tax liability of book profit/(Loss) vis-a-vis actual Tax Liability		
Accounting Loss Before Tax	(1,239.28)	(3,313.04)
Enacted Tax Rate	34.944%	34.944%
Current Tax Income	(433.05)	(1,157.71)
Less : Reversal of deferred tax on temporary differences etc.	(71.43)	(383.26)
Income Tax Expenses reported in the Statement of Profit & Loss	(361.62)	(774.45)

30. CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) Letter of Credits in favour of suppliers and others ₹ 3,616 Lacs (Previous Year ₹ 4,750 Lacs)
- b) Bank Guarantees in favour of suppliers and others ₹ 1,187.89 Lacs (Previous Year ₹ 808.79 Lacs)
- c) Sales tax demands against which the company has preferred appeals ₹ 57.74 Lacs (Previous Year ₹ 57.74 Lacs)
- d) Income tax demands against which the company has preferred appeals ₹ 1,134.12 Lacs (Previous Year ₹ 1,288.62 Lacs.)
- e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 928.68 Lacs on various matters under the Central Excise Rules (Previous Year ₹ 929.85 Lacs). The Company has filed suitable reply with the concerned authorities.
- f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 1,154.10 Lacs (Previous Year ₹ 1,134.10 Lacs) in favour of the President of India for fulfilment of its obligation under the rules made Central Excise Act, 1944 and Customs Act, 1962.
- g) Claims of ₹ 3,967.49 Lacs (Previous Year ₹ 3,967.49 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.
- h) Employees State Insurance corporation has raised demand of ₹ 124.62 Lacs (Previous Year ₹ 124.62 Lacs) The Company deposited ₹ 94.64 Lacs (Previous Year ₹ 94.64 Lacs) against the said demand. The company has filed the Civil Suit before the Civil Judge (Sr. Div.), ESI Court, Ludhiana
- i) Advances recoverable amount includes ₹ 609.56 Lacs (Previous Year ₹ 609.56 Lacs) on account of GST paid under protest as mentioned in the Note No. 32 (i) of the balance sheet as at 31st March, 2019.
- j) Company's share of contingencies of ₹ 7.39 Lacs (Previous Year ₹ 7.39 Lacs) in its associates for which the company is also contingently liable.

31. Capital Commitment

Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ Nil (Previous Year ₹ 59.72 Lacs).

32. The Company has undertaken export obligations of ₹ 25,419.42 Lacs (Previous Year ₹ 24,166.95 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 ₹ 23,839.73 Lacs (Previous Year ₹ 22,587.26 Lacs) have been fulfilled up to 31 March, 2021.



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

33. In March, 2020, World Health Organisation (WHO) had declared the outbreak of Novel Coronavirus "Covid-19" as a pandemic. Complying with the directives of Government, the plant and offices of the company had been under lock-down for few months, resulting thereto, the operations for the year have been impacted. Post lockdown, the company has gradually resumed its manufacturing operations to normal. However, the recent second wave of covid-19 has resulted in re-imposition of partial lockdowns/restrictions in various states, which might continue to impact the company's performance. The company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future.

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

35. Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2021 for ₹ 2,611.64 Lacs (Previous Year ₹ 1,211.48 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.

36. Earnings Per Share (EPS) (Ind AS-33)

Particulars	2020-21	2019-20
Loss after Tax (₹ in Lacs)	(877.66)	(2,538.59)
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 (₹)	(2.20)	(6.37)

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

(₹ in Lacs)

	Textile		Sugar		Others		Total	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Segment Revenue								
Total Revenue	1,20,735.20	137,948.05	19,396.06	18,118.77	65.55	24.64	1,40,196.81	156,091.46
Less: Inter Segment Revenue							507.93	644.87
Net Revenue							1,39,688.88	155,446.59
Segment Results								
Profit/ (Loss) before interest & tax	3,052.09	1,023.19	1,713.63	2,768.33	(282.20)	(567.01)	4,483.52	3,224.51
Less: Interest							5,722.80	6,469.41
Profit / (Loss) Before tax							(1,239.28)	(3,244.90)
Segment Assets	120,115.10	124,954.50	15,665.33	19,624.04	21,985.27	20,549.50	157,765.70	165,128.04
Segment Liabilities	54,599.73	55,026.15	10,047.11	13,521.84	764.62	830.26	65,411.46	69,378.25
Capital Employed								
Segment Assets- Segment Liabilities	65,515.37	69,928.35	5,618.22	6,102.20	21,220.65	19,719.24	92,354.24	95,749.79



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

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

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

1 Associates: J.L. Growth Fund Limited*, Vardhman Investment Limited, Atam Vallabh Financers Limited, Cotton County Retail Limited*

2 Key Management Personnel: Sh. Jawahar Lal Oswal (Chairman), Sh. Kamal Oswal (Vice Chairman-cum-Managing Director), Sh. Abhinav Oswal (Executive Director) appointed w.e.f. 1st September, 2020, Sh. Dinesh Oswal (Non-Executive Director), Sh. Dinesh Gogna (Non-Executive Director), Sh. Navdeep Sharma (Non-Executive Director), Dr. (Mrs.) H.K. Bai (Non-Executive Director), Sh. Parvinder Singh Pruthi (Non-Executive Director), Sh. A.S. Chatha, IAS (Retd) (Non-Executive Director), Dr. Vijay Asdhir (Non-Executive Director), Dr. Suresh Kumar Singla (Non-Executive Director), Sh. Ved Parkash Gaur (Non-Executive Director), Mrs. Manisha Gupta (Non-Executive Director), Dr. Roshan Lal Behl (Non-Executive Director), Sh. Bharat Bhushan Gupta (Chief Financial Officer), Sh. Mukesh Sood (Company Secretary)

3 Relatives of Key Management Personnel: Mrs. Abhilash Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mrs. Ruchika Oswal, Mrs. Monika Oswal, Mr. Rishab Oswal, Mr. Abhinav Oswal

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., Monte Carlo Fashion Limited, Nahar Poly Films Limited, Hug Foods Pvt. Ltd., Oswal Foundation (Regd.), Abhilash Growth Fund Pvt. Ltd., Nahar Industrial Infrastructure Corporation Ltd., Amlah Industries Limited.

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

Particulars	Associates		Key Management Personnel		Enterprises in which Key Manager Personnel and relative of such personnel is able to exercise significant influence or control		Relative of Key Management Personnel	
	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020
Purchase of goods	4.37	58.87	--	--	10,947.56	5,890.27	--	--
Sales of Goods	(9.33)	5.71	--	--	13,856.23	14,005.33	--	--
Purchase of fixed assets	--	1.63	--	--	--	33.42	--	--
Sale of fixed assets	--	--	--	--	13.11	88.96	--	--
Freight Income	--	--	--	--	441.72	561.54	--	--
Sale of FMP/FMS license	--	--	--	--	86.78	328.13	--	--
Processing charges received	--	--	--	--	154.23	73.64	--	--
Interest Expenses	1.19	--	--	--	66.67	9.61	--	--
Interest Received	--	--	--	--	--	0.54	--	--
Rent received	--	7.08	15.00	15.00	12.74	1.42	--	--
Rent paid	19.29	25.72	--	--	--	--	--	--
Reimbursement of Expenses Received	3.00	5.83	--	--	195.45	425.56	--	--
Reimbursement of Expenses Paid	--	--	--	--	34.82	31.15	--	--
Issuance of Preference Share	--	900.00	--	--	1,000.00	3,000.00	--	--
Director Meeting Fee	--	--	5.90	4.60	--	--	--	--
Remuneration	--	--	--	--	--	--	37.71	58.12
Loan received	160.00	--	--	--	2,006.50	1,150.00	--	--
Loan Paid	--	--	--	--	--	1,150.00	--	--
Corporate Social Responsibility (CSR) Activities	--	--	--	--	67.80	83.25	--	--
Balance Receivable/(Payable) (net)	(163.52)	(51.31)	--	--	(1,576.92)	247.49	--	--

* Related parties with whom transaction has taken place during the year

**Consolidated Notes to Financial Statements for the year ended 31st March, 2021****Remuneration of KMP**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
i) Short Term benefits	361.10 #	314.50 #
ii) Post Employment Benefits	60.37	46.30
Total	421.47	360.80

Included Remuneration paid to Vice Chairman-cum-Managing Director and Executive Director of ₹ 323.22 Lacs during the current year and ₹ 262.15 Lacs during the previous year

39. 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.

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.

Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

40. Post Retirement Benefits Plan (Ind AS 19)

Defined Benefit Plan

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

Particulars	31st March 2021 (₹ in Lacs)	31st March 2020 (₹ in Lacs)
Changes in defined benefit obligation		
Present value obligation as at the start of the year	2,905.83	3,117.36
Interest cost	170.55	204.77
Current service cost	336.11	399.34
Actuarial loss/(gain) - Experience Changes	(116.76)	148.02
Actuarial loss / (gains) Financial Assumption	(6.16)	(497.08)
Benefits paid	(397.23)	(466.58)
Present value obligation as at the end of the year	2,892.34	2,905.83
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year	2,739.92	2,544.05
Interest income on plan assets	180.79	180.67
Employer Contributions	656.67	467.67
Return on plan assets greater/(lesser) than discount Rates	18.27	14.11
Benefits paid	(397.23)	(466.58)
Fair value of plan assets as at the end of the year	3,198.42	2,739.92
Breakup of Actuarial gain/loss:		
Actuarial (gain)/loss on arising from change in financial assumption	(6.16)	(497.08)
Actuarial (gain)/loss on arising from experience adjustment	(116.76)	148.02
Return on plan assets (greater)/less than discount rate	(18.27)	(14.11)
	(141.19)	(363.17)
Net Asset/(Liability) recognized in Balance Sheet		
Present value obligation as at the end of the year	2,892.34	2,905.83
Fair value of plan assets as at the end of the year	3,198.42	2,739.92
Net Asset/(Liability) in Balance Sheet	306.08	(165.91)



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March, 2021 (₹ in Lacs)	As at 31 st March, 2020 (₹ in Lacs)
Amount recognized in the statement of profit and loss		
Current service cost	336.11	399.34
Interest cost	170.55	204.77
Interest Income on plan assets	(180.79)	(180.67)
	325.87	423.44
(Income)/Expense recognized in the statement of profit and loss		
Remeasurements recognized in the statement of Other Comprehensive Income (OCI)		
Experience Adjustments	(116.76)	148.02
Changes in Financial Assumptions	(6.16)	(497.08)
Return on plan assets (greater)/lesser than discount Rates	(18.27)	(14.11)
	(141.19)	(363.17)
Net Loss/(Gain) recognized in other comprehensive income		
Plan assets information		
Insurer Manage Funds	100%	100%
Actuarial assumptions		
Discount rate	6.10%	6.30%
Salary Escalation Rate	3.50% for the 1st year starting April 2021 and 5% thereafter	0% for the 1st year starting April 2021 and 5% thereafter
Employee turnover Rate	12.00%	12.00%

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

Sensitivity analysis for gratuity liability

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%	(73.09)	(73.22)
b) Impact due to decrease of 0.50%	77.00	77.30

Impact of change in salary Escalation Rate

a) Impact due to increase of 0.50%	75.53	76.70
b) Impact due to decrease of 0.50%	(72.44)	(61.35)

Impact of change in Employee turnover Rate

a) Impact due to increase of 0.50%	17.49	27.33
b) Impact due to decrease of 0.50%	(41.49)	(56.02)

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, 2021

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

Gratuity 6 Years 6 Years

The following are the expected future benefits payments for the defined benefit plan : (₹ in Lacs)

Particulars	31st March 2021	31st March 2020
Description		
March 31, 2021	--	546.25
March 31, 2022	506.01	394.12
March 31, 2023	396.97	422.23
March 31, 2024	458.76	463.85
March 31, 2025	420.94	440.77
March 31, 2026	451.42	--
March 31, 2026 to March 31, 2030	--	2,385.02
March 31, 2027 to March 31, 2031	2,357.24	--

41. Fair Value Measurement

(a) Financial Instruments by category and hierarchy

For amortised cost instruments, carrying value represents the best estimate of fair value. (₹ in Lacs)

Particulars	As At 31st March, 2021			As at 31st March, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment						
- Equity instruments	--	5.82	--	--	4.88	--
- Preference Share	--	--	0.31	--	--	0.31
Loans (Non Current)	--	--	1,060.27	--	--	1,400.12
Trade receivables	--	--	19,794.29	--	--	20,355.40
Cash and cash equivalents	--	--	14.78	--	--	61.76
Other Bank Balance	--	--	107.72	--	--	194.37
Loans (Current)	--	--	54.98	--	--	54.92
Other financial assets	--	--	2,578.66	--	--	2,979.41
Total Financial Assets	--	5.82	23,611.01	--	4.88	25,046.29

Particulars	As At 31st March, 2021			As at 31st March, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings (Non current)	--	--	12,943.93	--	--	14,392.33
Security deposit	--	--	213.84	--	--	177.84
Borrowings (Current)	--	--	51,777.02	--	--	49,799.65
Trade payable	--	--	9,176.50	--	--	14,692.75
Unpaid dividend	--	--	82.72	--	--	104.37
Due to Employees	--	--	1,976.88	--	--	2,204.00
Derivative Liability	84.55	--	--	121.72	--	--
Current Maturities	--	--	4,914.93	--	--	6,529.21
Other financial liability	--	--	910.58	--	--	1,005.50
Total Financial Liabilities	84.55	--	81,996.40	121.72	--	88,905.65



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

(b) Fair value hierarchy

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

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

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments	1.79	--	4.03	0.85	--	4.03
Total	1.79	--	4.03	0.85	--	4.03
Financial liabilities						
Derivative Liability	84.55	--	--	121.72	--	--
Total	84.55	--	--	121.72	--	--

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

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Preference Share	--	--	0.31	--	--	0.31
Loans (Non Current)	--	--	1,060.27	--	--	1,400.12
Trade receivables	--	--	19,794.29	--	--	20,355.40
Cash and cash equivalents	--	--	14.78	--	--	61.76
Other Bank Balance	--	--	107.72	--	--	194.37
Loans (Current)	--	--	54.98	--	--	54.92
Other financial assets	--	--	2,578.66	--	--	2,979.41
Total Financial assets	--	--	23,611.01	--	--	25,046.29

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Borrowings (Non current)	--	--	12,943.93	--	--	14,392.33
Security deposit	--	--	213.84	--	--	177.84
Borrowings (Current)	--	--	51,777.02	--	--	49,799.65
Trade payable	--	--	9,176.50	--	--	14,692.75
Unpaid dividend	--	--	82.72	--	--	104.37
Due to Employees	--	--	1,976.88	--	--	2,204.00
Current Maturities	--	--	4,914.93	--	--	6,529.21
Other Financial Liability	--	--	910.58	--	--	1,005.50
Total Financial Liabilities	--	--	81,996.40	--	--	88,905.65



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

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

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

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

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

Particulars	As At 31 st March, 2021		As At 31 st March, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Preference Share	0.31	0.31	0.31	0.31
Loans	1,060.27	1,060.27	1,400.12	1,400.12
Total	1,060.58	1,060.58	1,400.43	1,400.43
Financial liabilities				
Borrowings	12,943.93	12,943.93	14,392.33	14,392.33
Security deposit	213.84	213.84	177.84	177.84
Total	13,157.77	13,157.77	14,570.17	14,570.17

The carrying amounts of trade receivables, other financial assets & liabilities, trade payables, other bank balances 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 counter party 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.

42. Financial risk management objectives and policies

The Company's principle 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 investments, loans, trade and other receivables, cash & cash equivalents and other bank balances that derive directly from its operations.

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

(A) Market risk

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

a) Interest rate risk

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

Particulars	As At 31st March 2021 (₹ in Lacs)	As At 31st March 2020 (₹ in Lacs)
Variable rate borrowings	65,264.13	68,869.15
Fixed rate borrowings	4,371.75	1,852.04
Total	69,635.88	70,721.19

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:

Particulars	As at 31st March 2021 (₹ in Lacs)	As at 31st March 2020 (₹ in Lacs)	Effect on Profit Before Tax
Increase by 50 basis points	(326.32)	(344.35)	
Decrease by 50 basis points	326.32	344.35	

b) Foreign currency risks

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

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

Particulars	As At 31st March 2021 (₹ in Lacs)	As At 31st March 2020 (₹ in Lacs)
Trade Payable		
-USD	160.41	170.30
-EUR	4.89	4.33
-CHF	--	0.82



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Foreign currency sensitivity

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

Particulars	Effect on Profit Before Tax	
	As at 31st March 2021 (₹ in Lacs)	As at 31st March 2020 (₹ in Lacs)
USD Sensitivity		
Decrease by 5%	8.02	8.52
Increase by 5%	(8.02)	(8.52)
EUR Sensitivity		
Decrease by 5%	0.24	0.22
Increase by 5%	(0.24)	(0.22)
CHF Sensitivity		
Decrease by 5%	--	0.04
Increase by 5%	--	(0.04)

ii) Foreign Currency Exposure (Forward Booking)

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

Category wise Quantitative Data Type Contract	As At 31st March 2021 (₹ in Lacs)	As At 31st March 2020 (₹ in Lacs)
Forward contracts against Exports (US \$)	1,193.26	3,073.92
Forward contracts against imports (US \$)	15,820.84	--

(B) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, 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



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Financial assets that expose the entity to credit risk:

Particulars	As At 31st March 2021 (₹ in Lacs)	As At 31st March 2020 (₹ in Lacs)
Low credit risk on reporting date		
Investments	9,105.40	9,058.06
Loans(non-current)	1,060.27	1,400.12
Trade receivables	19,794.29	20,355.40
Cash and cash equivalents	14.78	61.76
Other bank balances	107.72	194.37
Loans(current)	54.98	54.92
Other financial asset	2,578.66	2,979.41
Total	32,716.10	34,104.04
Moderate credit risk	--	--
High credit risk	--	--

Cash & cash equivalents and bank deposits

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

Trade receivables

Credit risk related to trade receivables are mitigated by taking Credit insurance for domestic sales/letter of credit for export sales, which results in low credit risk. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The company assesses increase in credit risk on an ongoing basis for amount receivable that become past due and default is consider to have occurred when amount's receivable become 365 days past due.

Gross carrying amount of trade receivables

Particulars	As At 31st March 2021	As At 31st March 2020
(₹ in Lacs)		
Ageing		
Not due	18,852.72	17,689.53
0-60 days past due	280.33	1,763.38
61-120 days past due	65.79	276.43
121-180 days past due	32.32	177.69
181-365 days past due	199.08	190.23
More than 365 days past due	364.05	258.14
Total	19,794.29	20,355.40

Other financial assets measured at amortised cost

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

(C) Liquidity risk

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

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

(₹ in Lacs)

Particulars	As At 31st March 2021	As At 31st March 2020
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured : Cash credit facilities	11,222.98	13,200.35
(b) Expiring beyond one year (Bank loans)		
Secured : Term loan from banks	-	-

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

(₹ in Lacs)

Particulars	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total undiscounted contractual cash flows	Carrying amount of liabilities
Year ended 31 March 2021						
Contractual maturities of borrowings	56,691.95	5,231.52	2,960.88	387.59	65,271.94	65,264.13
Loan & Advances from related party (Unsecured)	--	2,166.50	--	--	2,166.50	2,166.50
5.5% Non convertible non cumulative	--	--	--	11,620.00	11,620.00	2,205.25
Redeemable Preference Share (Unsecured)						
Contractual maturities of trade payable	9,176.50	--	--	--	9,176.50	9,176.50
Contractual maturities of security deposit received	--	140.87	153.86	--	294.73	213.84
Contractual maturities of other financial liabilities	2,887.46	--	--	--	2,887.46	2,887.46
Unpaid Dividend	82.72	--	--	--	82.72	82.72
TOTAL	68,838.63	7,538.89	3,114.74	12,007.59	91,499.85	81,996.40

(₹ in Lacs)

Particulars	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total undiscounted contractual cash flows	Carrying amount of liabilities
Year ended 31 March 2020						
Contractual maturities of borrowings	56,328.85	5,770.20	6,355.18	427.65	68,881.88	68,869.15
5.5% Non convertible non cumulative	--	--	--	10,620.00	10,620.00	1,852.04
Redeemable Preference Share (Unsecured)						
Contractual maturities of trade payable	14,692.75	--	--	--	14,692.75	14,692.75
Contractual maturities of security deposit received	--	78.99	189.10	--	268.09	177.84
Contractual maturities of other financial liabilities	3,209.50	--	--	--	3,209.50	3,209.50
Unpaid Dividend	104.37	--	--	--	104.37	104.37
TOTAL	74,335.47	5,849.19	6,544.28	11,047.65	97,776.59	88,905.65

43. Capital Management

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



Consolidated Notes to Financial Statements for the year ended 31st March, 2021

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Borrowings	69,635.88	70,721.19
Trade payables	9,176.50	14,692.75
Less: Cash and cash equivalents	14.78	61.76
Net debt (A)	78,797.60	85,352.18
Equity (B)	74,276.01	74,291.49
Capital and net debt (A+B)	153,073.61	1,59,643.67
Gearing ratio	51.48	53.46

44. The company is covered under the provision of the section 135 of the companies act, 2013.

Particulars	(₹ in Lacs)	
	As at 31 st March 2021	As at 31 st March 2020
The amount required to be spent	Nil	68.14
The amount spent	Nil	68.14

In accordance with the provisions of section 135 of the Companies Act 2013, the board of directors of the company had constituted a CSR committee. The company had decided to carry out its CSR activities through a consortium formed by group companies as per scheme of CSR. During the financial year 2020-21 there is Nil liability under CSR as calculated under the provisions of section 135 of the Companies Act 2013.

CSR expenditure incurred of Rs. 12.50 lacs during the financial year 2020-21 is eligible to be set of against the CSR spending mandate of succeeding three financial years.

45. Reconciliation of changes in liabilities arising from the financing activities including both changes arising from the cash flows and non-cash changes as per the requirement of the IndAS-7 "Statement of Cash Flows"

Particulars	(₹ in Lacs)		
	Long-term borrowing (Including current maturities)	Short-term borrowing	Total
As at 1st April, 2020	20,921.54	49,799.65	70,721.19
Cash flows:			
Proceeds from borrowings (Covid Loan)	5,255.00	--	5,255.00
Proceeds from others	2,166.50	--	2,166.50
Proceeds from Issue of Preference Share	1,000.00	--	1,000.00
Repayment of borrowings	(6,949.24)	(1,354.45)	(8,303.69)
Repayment of borrowings (Covid Loan)	(560.96)	--	(560.96)
Covid Loan due within one year	(3,331.82)	3,331.82	--
Ind AS Adjustment:			
Impact of adjustment on borrowings/preference shares	195.02	--	195.02
Equity component of Preference share	(837.18)	--	(837.18)
As at 31st March, 2021	17,858.86	51,777.02	69,635.88

46. Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.

47. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever considered necessary to make them comparable.



48. 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	
	(31st March, 2021)	(31st March, 2020)			As At 31st March, 2021	As At 31st March, 2020
J.L. Growth Fund Limited	41.10%	41.10%	Associate	Equity Method	2,547.47	2,431.31
Vardhman Investment Limited.	47.17%	47.17%	Associate	Equity Method	1,685.54	1,682.86
Atam Vallabh Financiers Limited	36.85%	36.85%	Associate	Equity Method	1,200.98	1,199.20
Cotton County Retail Limited	47.66%	47.66%	Associate	Equity Method	3,665.28	3,739.50
Total Equity Accounted Investment					9,099.27	9,052.87

(b) Summarised Financial information of the associates.

Particulars	J.L. Growth Fund Limited		Vardhman Investment Limited.		Atam Vallabh Financiers Limited		Cotton County Retail Limited	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Non-Current Assets	4,807.81	4,983.80	3,364.79	3,364.83	3,035.88	3,035.92	7,848.58	7,784.95
Current Assets								
Cash and Cash equivalents	8.41	5.40	1.62	2.52	1.34	2.00	3.98	21.68
Other Assets	556.57	96.41	72.44	65.02	42.53	36.12	206.48	429.85
Total Assets	5,372.79	5,085.61	3,438.85	3,432.37	3,079.75	3,074.04	8,059.04	8,236.48
Non- Current Liabilities								
Current Liabilities	10.50	5.93	2.02	1.21	1.66	0.78	28.03	49.73
Total Liabilities	10.50	5.93	2.02	1.21	1.66	0.78	28.03	49.73

(c) Summarised statement of profit and loss

Particulars	J.L. Growth Fund Limited		Vardhman Investment Limited.		Atam Vallabh Financiers Limited		Cotton County Retail Limited	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Revenue	277.18	80.75	2.95	--	3.82	--	81.05	773.31
Interest Income	22.97	4.95	5.01	4.46	2.84	2.77	1.28	1.40
Depreciation and amortisation	(6.87)	(10.35)	--	--	--	--	(5.93)	(11.76)
Interest Expense	--	--	--	--	--	--	(0.37)	(0.67)
Tax Expense	(9.08)	(5.66)	(1.76)	(0.96)	(1.48)	(0.61)	--	--
Profit and loss for the period	282.62	62.45	5.67	2.47	4.83	(35.65)	(155.74)	(32.14)
Other Comprehensive Income	--	--	--	--	--	--	--	--
Total Comprehensive Income	282.62	62.45	5.67	2.47	4.83	(35.65)	(155.74)	(32.14)

**Consolidated Notes to Financial Statements for the year ended 31st March, 2021****(d) Movement of Investment using equity Method**

Particulars	As at 31st March 2021 (` in Lacs)	As at 31st March 2020 (` in Lacs)
(a) J.L. Growth Fund Limited		
Opening balance of interest in associates	2,431.31	2,405.65
Add:- Share of profit/(loss) for the period	116.16	25.66
Closing Balance of interest in associates	2,547.47	2,431.31
(b) Vardhman Investment Limited.		
Opening balance of interest in associates	1,682.86	1,681.69
Add:- Share of profit for the period	2.68	1.17
Closing Balance of interest in associates	1,685.54	1,682.86
(c) Attam vallabh Financiers Limited		
Opening balance of interest in associates	1,199.20	1,212.34
Add:- Share of profit/(loss) for the period	1.78	(13.14)
Closing Balance of interest in associates	1,200.98	1,199.20
(d) Cotton County Retail Limited		
Opening balance of interest in associates	3,739.50	3,754.82
Add:- Share of profit/(loss) for the period	(74.22)	(15.32)
Closing Balance of interest in associates	3,665.28	3,739.50

**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	31.03.2021	31.03.2021	31.03.2021	31.03.2021
2 Shares of Associate held by the Company on the year end				
No. of Shares	10,228,441	180,000	250,000	164,000
Amount of Investment in Associates (₹ In lacs)	3,793.12	1,684.80	1,475.00	1,066.00
Extent of holding %	47.66	41.10	47.17	36.85
3 Description of how there is significant influence	(i) There is significant influence due to percentage (%) of Share Capital. (ii) The above statement also indicate performance and financial position of each associate companies.			
4 Reason why associate is not consolidated	Not Applicable			
5 Net Worth attributable to shareholding as per latest audited Balance Sheet (₹ in Lacs)	3,827.58	2,203.90	1,621.15	1,134.27
6 Profit/loss for the year After Tax (₹ in Lacs)				
Considered in consolidation	(74.22)	116.16	2.68	1.78
Not considered in consolidation				

Mukesh Sood
Company Secretary

Bharat Bhushan Gupta
Chief Financial Officer

Dinesh Gogna
Director
(DIN : 00498670)

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

Place : Ludhiana
Dated :31st May, 2021

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