



The Nahar Group



PF Nahar
POLY FILMS LIMITED

31st
ANNUAL REPORT
2018-19

BOARD OF DIRECTORS

Mr. Jawahar Lal Oswal

Chairman

Mr. Dinesh Oswal

Director

Mr. Kamal Oswal

Director

Mr. Dinesh Gogna

Director

Mr. Satish Kumar Sharma

Executive Director

Mr. Komal Jain

Director

Dr. Inder Mohan Chhibba

Independent Director

Dr. Manisha Gupta

Independent Director

Dr. Suresh Kumar Singla

Independent Director

Dr. Yash Paul Sachdeva

Independent Director

Dr. Amrik Singh Sohi

Independent Director

Dr. Vijay Asdhir

Independent Director

Mr. Rakesh Kumar Jain

Chief Financial Officer

Ms. Bhoomika

Company Secretary

REGISTERED OFFICE

376, Industrial Area-A,
Ludhiana-141 003, Punjab

BANKERS

Oriental Bank of Commerce
Punjab National Bank

AUDITORS

M/s. YAPL & Co.,
Chartered Accountants
102, Kismat Complex,
G.T. Road, Miller Ganj,
Ludhiana-141 003.

31st ANNUAL GENERAL MEETING

Day : Monday

Date : 30th September, 2019

Time : 12.30 pm

Place : At the Premises of
Nahar Industrial Enterprises Limited
Focal Point, Ludhiana

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**NOTICE**

Notice is hereby given that the Thirty-First Annual General Meeting of the members of M/s Nahar Poly Films Limited will be held on **Monday, the 30th Day of September, 2019 at 12:30 P.M.** at the premises of M/s Nahar Industrial Enterprises Limited, Focal Point, Ludhiana to transact the following business:

ORDINARY BUSINESS:**ITEM NO 1:- ADOPTION OF FINANCIAL STATEMENTS**

- (i) To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
- (ii) To receive, consider and adopt the Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the Report of the Auditors thereon.

ITEM NO 2:- DECLARATION OF DIVIDEND

To declare dividend @ 10% i.e. Rs.0.50 per Equity Share of Rs. 5/- each for the year ended 31st March, 2019.

ITEM NO 3:- APPOINTMENT OF MR. DINESH OSWAL (DIN: 00607290) AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Dinesh Oswal (DIN: 00607290), who retires by rotation and being eligible offers himself for re-appointment.

ITEM NO 4:- APPOINTMENT OF MR. KOMAL JAIN (DIN: 00399948) AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Komal Jain (DIN: 00399948), who retires by rotation and being eligible offers himself for re-appointment.

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

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the

Cost Auditors M/s. Khushwinder Kumar & Associates (Firm Registration No. 000102) appointed by the Board to conduct the audit of the Cost Records of the Company for the Financial year 2019-20, be paid a remuneration of Rs. 45000/- (Rupees Forty Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses.”

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

ITEM NO 6:- REAPPOINTMENT OF MR. SATISH KUMAR SHARMA (DIN: 00402712) AS AN EXECUTIVE DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and rules framed thereunder and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the consent and approval of the Company be and is hereby accorded for the re-appointment of Mr. Satish Kumar Sharma (DIN:00402712), Executive Director of the Company, for a period of three years w.e.f. 1st August, 2020 to 31st July, 2023 on the remuneration and perquisites set out below:

- A. Salary/Basic Pay: Rs. 1,18,500/- per month
- B. Management Allowance: Rs. 56,500/-per month
- C. Perquisites and other allowances:
 - a) House Rent Allowance: 30% of the Salary.
 - b) Medical Reimbursement: Expenses incurred for Mr. Satish Kumar Sharma and his family subject to ceiling of one month's salary in a year.
 - c) Exgratia/Bonus: As per company's rule.
 - d) Provident Fund: Company's contribution to provident fund shall be in accordance with rules and regulations of the company.
 - e) Gratuity: As per rules of the company payable at the rate of half month's salary for each completed year of service.
 - f) Leave with wages: As per company's rule.
 - g) Provision of car for use of company's business and telephone at residence will be provided by the company. Personal long distance calls on telephone and use of car for



private purpose shall be billed by the company.

- h) Other perquisites will be provided as per company's rule."

"RESOLVED FURTHER THAT wherein any Financial Year, the Company has no Profits or its profits are inadequate, the Company may pay Mr. Satish Kumar Sharma, remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limits as specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) or such other limit as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and do all such acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution."

BY ORDER OF THE BOARD

BHOOMIKA

Dated : 13th August, 2019 (COMPANY SECRETARY)

REGD.OFFICE:

376, Industrial Area-A,

Ludhiana -141003 (India)

CIN: L17115PB1988PLC008820

E-mail: secnel@ownahar.com

NOTES:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and such proxy need not be a member of the company. Proxy in order to be effective must be delivered at the registered office of the company, not less than forty eight hours before the time of the meeting. The blank proxy form is enclosed. A person can act as a proxy on behalf of members not exceeding 50 (Fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10%

(Ten Percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2 The Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 3 The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto and form part of this Notice.
- 4 The Route Map to reach the venue of the Annual General Meeting including prominent land mark for easy location is provided at the end of this Annual Report.
5. The Register of Members and Share Transfer Register of the Company shall remain closed from 14th September, 2019 to 17th September, 2019 (both days inclusive) for the purpose of equity dividend for the year ended 31st March, 2019.
6. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members, whose names appear in Register of members as on 13th September, 2019 or Register of beneficial owners, maintained by the Depositories at the close of 13th September, 2019
7. Pursuant to Section 124(5) of the Companies Act, 2013 unclaimed dividends up to the financial year 2010-11 has been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2011-12 is to be transferred to Investor Education and Protection Fund in October, 2019. Shareholders who have not encashed their dividend warrants relating to the said period are requested to claim the amount from the Company at the earliest.

Pursuant to Section 124(6) of the Companies Act, 2013 read with rule 6 of Investor Education and Protection fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the shares (in respect of which dividend remain unpaid or unclaimed for a period of seven consecutive years) to the demat account of IEPF Authority as per applicable Rules. Details of



shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: http://owmnaahar.com/naahar_polyfilm/Transfer-of-Equity-Shares-to-IEPF.php The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

The members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from IEPF Authority. The concerned members/investors are advised to visit the weblink: <http://www.iepf.gov.in/IEPFA/refund.html> or contact the Company for lodging claim for refund of shares and/or dividend from the IEPF Authority.

8. In terms of the provisions of section 152 of the Companies Act, 2013, Mr. Dinesh Oswal and Mr. Komal Jain, Directors retire by rotation at this Meeting and being eligible offers themselves for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend their respective re-appointments.
9. SEBI vide its Gazette notification dated 8th June, 2018 amended the Regulation 40(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities held in dematerialized form with the Depository.

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

In view of the above, members are hereby informed that the requests for transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a Depository. Hence, all members who are holding securities in physical form are requested to go in for dematerialization of securities at the earliest.

10. The Company provides the facility of paying dividend through Electronics Clearing System (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank

details along with 9 digits MICR code of their Bank is updated in the records of the Depository Participant (DP). The Members who hold the shares in physical form, should contact the Registrar & Transfer Agent or the Company in this regard. In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details to their DP in case of electronic holding and to the Registrar & Transfer Agent or the Company in case of physical holding.

11. The requirement to place the matter relating to the Ratification of the appointment of Auditors by members at every Annual General Meeting has done away with vide notification dated 7th May, 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 26th September, 2017.
12. Since, the Company's shares are in compulsory demat trading, to ensure better service and eliminating the risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
13. The documents referred to in Explanatory Statement are open for inspection at the Registered Office of the Company on any working day (except Saturday and Holiday) between 10:00 A.M. to 12:00 Noon upto the date of Annual General Meeting.
14. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
15. The electronic copy of the Annual Report for the year 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. The members who have not registered their email IDs, physical copy of the Annual Report is being sent in the permitted mode.
16. **The members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.**



17. The members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.
18. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
19. The information required to be provided under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Directors who are proposed to be re-appointed is given hereto and form part of this Notice.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities market. The members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participant(s). The members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited, Unit: Nahar Poly Films Limited, Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110055.
21. The Register under Section 189(4) of The Companies Act, 2013 shall be produced at the commencement of the meeting and shall remain open and accessible during the continuance of the meeting.
22. Pursuant to the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility to members for voting by electronic means and the business contained in this Notice shall be transacted through such voting. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electronically.
23. Notice of the 31st Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website i.e. www.ownahar.com. The above said Notice will also be available on the website of CDSL. i.e. www.cdslindia.com
24. The facility for voting via ballot paper shall also be made available at the meeting and the members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.
25. The members who have casted their vote already by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 26. Instructions for shareholders Voting through electronic mode are as under:**
 - (i) The voting period begins on 27th September, 2019 (9:00 A.M.) and ends on 29th September, 2019 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The Shareholders should log on to the e-voting website www.evotingindia.com
 - (iv) Click on "Shareholders" tab
 - (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 No. registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



(viii) If you are a first time user follow the steps given below:

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

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

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <NAHAR POLY FILMS 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 changed 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 available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians:
 - a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register



themselves as Corporates.

- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to:
helpdesk.evoting@cdslindia.com
 - c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Monday, 23rd September, 2019 may follow the same instructions as mentioned above for e-Voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. The helpdesk can also be contacted at 1800-200-5533.
- (xxiii) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:

Ms. Bhoomika
Company Secretary and Compliance Officer
376, Industrial Area-A, Ludhiana –141003
0161-2600701 to 2600705
CIN: L17115PB1988PLC008820
secnel@owmnahar.com

OTHER INSTRUCTIONS:

- 27. Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut off date.
- 28. Mr. P.S. Bathla, Practicing Company Secretary (Membership No. FCS 4391), will act as a Scrutinizer to the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process).
- 29. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer’s Report of the total votes cast in the favour or against, if any, forthwith to the Chairman of the Company
- 30. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company www.owmnahar.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
- 31. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 31st Annual General Meeting i.e 30th September, 2019.
- 32. A person who is not a Member as on the cut off date i.e. 23rd September, 2019 should treat this Notice for information purposes only.

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

The following statement sets out all material facts relating to the Special Business mentioned under Item No. 5 & 6 of the accompanying Notice.

ITEM NO. 5

As per the provisions of Companies (Cost Records and Audit) Amendment Rules, 2014 notified by MCA vide its notification dated 31st December, 2014, Company’s activities fall within the purview of Cost Audit requirement. Accordingly, the Board at its meeting held on 30th May, 2019 on the recommendation of Audit Committee, approved the appointment and remuneration of Rs. 45000/- (Rupees Forty Five Thousand Only) of



M/s. Khushwinder Kumar & Associates (Firm Registration No.000102) for conducting the Cost Audit of the Cost records of the Company for the financial year 2019-2020.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Director has to be ratified by the shareholders of the Company.

Accordingly, the consent and approval of the shareholders is being sought for passing an Ordinary Resolution as set out at the Item No. 5 of the Notice for ratification of the remuneration payable to M/s. Khushwinder Kumar & Associates (Firm Registration No.000102) for the financial year ended 2019-20.

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

Your Directors recommend the resolution for your approval.

ITEM NO. 6

Mr. Satish Kumar Sharma was appointed as Executive Director of the company with effect from 1st August, 2017 for 3 years. His tenure as Executive Director is expiring on 31st July, 2020. Mr. Satish Kumar Sharma is of 67 years. He is MBA and having more than 37 years of experience as Corporate Executive. Having regard to his knowledge and experience, it would be in the interest of the company to reappoint him as an Executive Director of the Company under the category of the Key Managerial Personnel.

The Board keeping in view the overall growth of the Company under his able and dynamic leadership and on the recommendation of Nomination and Remuneration Committee subject to the approval of the shareholders has decided to reappoint him as Executive Director for a period of 3 years commencing from 1st August, 2020. Mr. Satish Kumar Sharma is eligible for re-appointment as Executive Director and his remuneration and perquisites as set out in the resolution are in accordance with the provisions of Schedule V read with the Companies Act, 2013.

Listed Companies (other than Nahar Poly Films Limited) in which Mr. Satish Kumar Sharma holds Directorship, Chairmanship and Membership of Board:

Directorship of Board :

| Sr. No. | Name of the Company | Status |
|---------|---|----------|
| 1. | Nahar Spinning Mills Ltd. | Director |
| 2. | Nahar Capital & Financial Service Limited | Director |

Chairmanship of Board Committees: NIL

Member of Board Committees:

| S.No. | Name of the company | Committee | Status |
|-------|--|----------------------------------|-----------------|
| 1 | Nahar Spinning Mills Limited | Stakeholder's Relationship | Member |
| 2 | Nahar Capital and Financial Services Limited | Audit Stakeholder's Relationship | Member Chairman |

Shareholding in the Company: NIL

Disclosure of relationship between Directors interse:

Mr. Satish Kumar Sharma is not related to any Director of the Company. Further, no Directors / Key Managerial Personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Resolution as given in the notice may also be treated as an abstract of terms of Contract of Appointment under the provisions of Section 190 of the Companies Act, 2013.

The Terms and conditions of appointment as set out in the draft agreement to be entered into between the Company and Mr. Satish Kumar Sharma, is available for inspection at the Registered Office of the Company.

Your Directors recommend the resolution for your approval.

ADDITIONAL INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING DIRECTOR SEEKING REAPPOINTMENT

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be re-appointed are given below:

**1. MR. DINESH OSWAL**

| | |
|----------------------|---|
| Name | Dinesh Oswal |
| Age | 53 Years |
| Qualification | Commerce Graduate |
| Expertise | Having Business experience of more than 33 years in the industry. |
| Shareholding | 105273 Equity Shares @ ₹ 5/- each |

Listed Companies (other than Nahar Poly Films Limited) in which Mr. Dinesh Oswal holds Directorship, Chairmanship and Membership of Board:

Directorship of Board:

| S. No. | Name of the company | Status |
|--------|--|----------|
| 1 | Nahar Spinning Mills Limited | Director |
| 2 | Nahar Capital and Financial Services Limited | Director |
| 3 | Nahar Industrial Enterprises Limited | Director |

Chairmanship of Board Committees: NIL

Member of Board Committees: NIL

Disclosure of relationship between Directors inter-se:

Mr. Dinesh Oswal is son of Mr. Jawahar Lal Oswal and brother of Mr. Kamal Oswal.

2. MR. KOMAL JAIN

| | |
|----------------------|--|
| Name | Komal Jain |
| Age | 64 Years |
| Qualification | M.A |
| Expertise | Having Business experience of more than 40 years in the Industry |
| Shareholding | Nil |

Listed Companies (other than Nahar Poly Films Limited) in which Mr. Komal Jain holds Directorship, Chairmanship and Membership of Board:

Directorship of Board: NIL

Chairmanship of Board Committees: NIL

Member of Board Committees: NIL

Disclosure of relationship between Directors inter-se: NIL

BY ORDER OF THE BOARD

BHOOMIKA

Dated: 13th August, 2019 (COMPANY SECRETARY)

REGD.OFFICE:

**376, Industrial Area-A,
Ludhiana -141003 (India)**

CIN: L17115PB1988PLC008820

E-mail: secnel@owmnahar.com

Green Initiative



*Save Tree
Save Earth*

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

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

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



DIRECTOR'S REPORT

Dear Members,

The directors are pleased to present the company's **Thirty-First** Annual Report on the affairs of the Company along with the audited financial statements for the financial year ended 31st March, 2019.

FINANCIAL PERFORMANCE (STANDALONE AND CONSOLIDATED)

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

| PARTICULARS | (Rs. in Lacs) | | | |
|--|-----------------|------------------|-----------------|------------------|
| | STANDLONE | | CONSOLIDATED | |
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Total Income | 26810.31 | 26332.62 | 26711.14 | 26233.45 |
| Less: Total Expenses | 25518.04 | 25616.91 | 25518.04 | 25616.91 |
| Profit Before Tax | 1292.27 | 715.71 | 1193.10 | 616.54 |
| Less: Current Tax | 240.55 | 473.34 | 240.55 | 473.34 |
| Deferred Tax | 141.00 | (267.15) | 141.00 | (267.15) |
| Net profit from continuing operations | 910.72 | 509.52 | 1222.78* | 1147.37* |
| Add: Other comprehensive Income/(loss) | (465.85) | (4430.87) | (1008.36) | (3926.08) |
| Profit/(Loss) for the period | 444.87 | (3921.35) | 214.42 | (2778.71) |

*Consolidated profit for the year includes Share of profit from Associates under equity method for the amount of Rs. 411.23 Lacs in Current Year and Rs. 737.02 lacs in the Previous Year.

INDIAN ACCOUNTING STANDARD

The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2017 (transition date being 1st April, 2016). Accordingly, the financial statements have been prepared as per the Indian Accounting Standard Rules, 2015, as prescribed under section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and the other accounting principles generally accepted in India. For the financial year 2019-20, the financials of the company have been prepared as per Indian Accounting Standards (Ind AS).

OPERATIONAL REVIEW AND STATE OF AFFAIRS

The disclosure requirements as per Indian Accounting Standard (IndAS 108) issued by the Institute of Chartered Accountants of India, New Delhi are not applicable to the Company as the main business activities of Company falls under single segment i.e. BOPP Films.

Further, pursuant to the requirement of section

129(3) of the Companies Act, 2013, the Company has also Consolidated the Financial Statements for the year ended 31st March, 2019 in respect of its Associate Company i.e. M/s Nahar Capital and Financial Services Limited. We would like to appraise you regarding the financial performance of the company on Standalone as well as Consolidated basis as under:

STANDALONE-FINANCIAL PERFORMANCE

We are pleased to inform you that during the year under review on standalone basis, the Company has achieved a Total Income of Rs. 26,810.31 Lacs as against Rs. 26,332.62 Lacs showing a marginal increase of 1.81% over the previous year. The Company earned a Profit before tax of Rs. 1,292.27 Lacs as against Rs. 715.71 Lacs in the previous year, which is 80.56% more than the previous year. After providing provision for taxation (including deferred tax) of Rs. 381.55 Lacs, it earned a Net Profit of Rs. 910.72 Lacs in the current year as against Rs. 509.52 Lacs in the previous year showing an impressive increase of 78.74% over the period of one year. The company showed a good financial performance for the year ended 31st March, 2019.

CONSOLIDATED-FINANCIAL PERFORMANCE

On consolidated basis, the Company earned Total Income of Rs. 26,711.14 Lacs during the year under review as against Rs. 26,233.45 Lacs in the previous year. It earned a profit before tax of Rs. 1,193.10 Lacs as against Rs. 616.54 Lacs in the previous year after providing provision for taxation (including deferred tax) of Rs. 381.55 Lacs. It earned a Net Profit (including Share of Profit from Associates) of Rs. 1,222.78 Lacs as against Rs. 1,147.37 Lacs in the previous year.

TRANSFER TO RESERVE

The Company has not transferred any amount to the General Reserve and thus company's General Reserve stands on Rs.10160.18 Lacs on 31st March, 2019. However, after making adjustment of Dividend, Tax on Dividend and Adjustment of income tax for the year of an amount of Rs. 614.06 Lacs the balance in Retained Earnings/Surplus Account is Rs. 3642.44 Lacs as on 31st March, 2019.

DIVIDEND

The Board in its meeting held on 30th May, 2019 has recommended the dividend @ 10% i.e. (Rs. 0.50/- per Equity Share of 5/- each) on the paid up equity share capital of the company for the financial year



ended 31st March, 2019. The proposal is subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 30th September, 2019. The total dividend declared (excluding dividend distribution tax) for the year ended 31st March, 2019 is Rs. 122.94 Lacs.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of profits of the Company to all those shareholders whose names shall appear in the Register of Members on 13th September, 2019 or Register of Beneficial Owners, maintained by the Depositories as at the close of 13th September, 2019.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all dividends which remain unpaid / unclaimed for the period of seven consecutive years are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF), Government of India. Accordingly, the company has transferred an amount of Rs. 2,94,859 (Two Lacs Ninety four Thousand Eight Hundred Fifty Nine only), being the amount of unclaimed dividend for the year 2010-11 to the Investor Education and Protection Fund.

Further, pursuant to section 124(5) of the Companies Act, 2013, unpaid / unclaimed dividend for the year 2011-12 shall be transferred to Investor Protection Fund in November, 2019. The Company had already issued letter(s) to the shareholders informing them to claim their unclaimed dividend from the Company before such transfer to the Investor Education and Protection Fund.

Further, as per the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares on which dividend has been unpaid / unclaimed by the Shareholders for seven consecutive years or more are required to be transferred to the Demat account of the IEPF Authority. Accordingly, in compliance of the provisions of the Act, 79,010 (Seventy Nine Thousand Ten) equity shares of Rs 5/- each, were transferred to the DP/Client ID IN300708/10656671 opened in the name of the Investor Education and Protection Fund Authority. The details of the Shareholders whose shares have been transferred to the Demat account of IEPF Authority is also

available on Company's website http://owmnahar.com/nahar_polyfilm/Transfer-of-Equity-Shares-to-IEPF.php and the same can be accessed through the link: www.iepf.gov.in.

The Shareholders whose dividend / shares have been transferred to IEPF can reclaim their subjected dividend / shares by making an application to the IEPF Authority in e-Form IEPF-5 as per procedure provided under Rule 7 of the IEPF Rules. The Shareholders can also view the procedure at www.iepf.gov.in.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to provisions of section 152(6) of the Companies Act, 2013 and Article 117 of Article of Association of the Company, Mr. Dinesh Oswal (DIN: 00607290) and Mr. Komal Jain (DIN: 00399948), will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. The Board recommends their re-appointment to the members of the Company at the ensuing Annual General Meeting.

Mr. Satish Kumar Sharma (DIN: 00402712) who was appointed for a period of Three years w.e.f. 1st August, 2017 as Executive Director of the Company, is expiring on 31st July, 2020. The Board having regard to the overall growth of the Company under his leadership and on the recommendation of Nomination and Remuneration Committee has decided to re-appoint Mr. Satish Kumar Sharma (subject to the approval of the shareholders) as Executive Director for a further period of three years commencing from 1st August, 2020. The resolution for the same has been proposed for your approval in the accompanying Notice of the Annual General Meeting.

Mrs. Nidhi Khande, resigned from the post of Company Secretary & Compliance Officer and her resignation was accepted by the Board of Directors in their meeting held on 30th May, 2019. Further, Ms. Bhoomika having membership no. A58724 of The Institute of Company Secretaries of India was appointed as Company Secretary & Compliance



Officer of the Company w.e.f. 30th May, 2019.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Satish Kumar Sharma (Executive Director), Mr. Rakesh Kumar Jain (Chief Financial Officer) and Mrs. Nidhi Khande (Company Secretary) are Key Managerial Personnel (hereinafter referred as KMP) of the Company for the Financial Year 2018-19.

BOARD EVALUATION

The provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate that a Formal Annual Performance Evaluation is to be made by Board of its own performance and that of its Committee and individual Directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Director being evaluated.

The Board carried out a formal Annual performance evaluation of its own performance and that of its committees and individual Directors as per the criteria laid down by the Nomination and Remuneration Committee of the company and adopted by the Board. The evaluation was carried out through a structured evaluation process to evaluate the performance of individual directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement and contribution, independence of judgment, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The outcome of the Board Evaluation for the Financial Year 2018-19 was discussed by the Nomination and Remuneration Committee and the Board at their meetings held on 30th May, 2019.

The Board was satisfied with the evaluation process and the approved the evaluation results thereof.

CORPORATE POLICIES

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. As per the said regulations, the listed companies are required to formulate certain policies. As good corporate the company has already formulated several corporate governance policies and the same are available on the Company's website i.e. www.ownahar.com. The said policies are reviewed periodically by the board to make them in compliance with the new Regulations/ requirements.

The Company has adopted certain policies, the details of which are given here under:

| Name of the Policy | Brief Description |
|---|---|
| Appointment & Remuneration | Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015, the Board of Directors in their meeting held on 3 rd February, 2015 approved the Policy for Appointment and Remuneration of Directors, Key Managerial Personnel and other employees as recommended by Nomination and Remuneration Committee. The Policy formulates the principle and criteria for determining qualification, competences, positive attributes, integrity and independence etc. for Directors, Senior Management Personnel including its Key Managerial Personnel (KMP) and employees of the Company. The Policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees. |
| Corporate Social Responsibility Policy | Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with companies (Corporate Social Responsibility Policy Rules, 2014, the CSR Committee formulated the CSR Policy which was adopted by the Board. The CSR policy outlines the various programmes/ projects/ activities to be undertaken by the Company as laid down in Schedule VII of the Companies Act, 2013. |



| | | | |
|--|--|--|---|
| <p>Vigil Mechanism / Whistle Blower Policy</p> | <p>Pursuant to the provisions of Section 177 of the Companies Act, 2013 company has formulated and adopted Vigil Mechanism/ whistle Blower policy for its directors and employees. The aim of the policy is to provide a channel to the directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct.</p> | | <p>requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.</p> |
| <p>Policy for determining the Material Related Party Transactions and dealing with the related party transactions</p> | <p>Pursuant to the requirements of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved a policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions. The policy regulates the transactions between the company and its group companies and related parties. The Policy has been uploaded on the Company's website and can be accessed at http://owmnahar.com/nahar_polyfilm/pdf/RPT-NAHAR-POLY.pdf</p> | <p>Policy for Preservation of Documents</p> | <p>Board of directors in their meeting held on 10th February, 2016 has approved and adopted the policy for Preservation of documents. The Policy segregates the documents to be preserved permanently and documents to be preserved at least for a period of eight years as per the requirements of applicable laws.</p> |
| <p>Insider Trading Policy</p> | <p>To provide the framework for dealing in the Securities of the company by the Insiders, the Board has approved and adopted the following Codes in its Meeting held on 30th May, 2016 under SEBI (Prohibition of Insider Trading) Regulations, 2015:</p> <ul style="list-style-type: none"> i. Code of practices and procedures for fair disclosure of unpublished price sensitive information. ii. Code of conduct to regulate, monitor and report trading by insiders. The Code helps to regulate trading in securities by the Directors and designated employees of the Company. The Code | <p>Archival Policy</p> | <p>Pursuant to the requirements of Regulations 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has approved and adopted the Archival Policy in its Meeting on 10th February 2016. The Policy ensures protection, maintenance and archival of Company's disclosures, documents and records that are placed on Company's website. i.e. www.owmnahar.com.</p> |
| | | <p>Board Diversity Policy</p> | <p>The Board of Directors in their Meeting held on 3rd February, 2015 has approved and adopted the Board Diversity Policy as per the recommendations of the Nomination and Remuneration Committee. The policy envisages of diversification of Company's Board in respect of age, knowledge, experience and expertise</p> |



| | |
|---|---|
| <p>Code of Fair Disclosures</p> | <p>Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors in their meeting held on 11th February, 2019 has approved and adopted the amended Code of Practices and Procedure for Fair Disclosures of Unpublished Price Sensitive Information including the Policy for Legitimate purposes.</p> |
| <p>Code of Conduct to regulate, monitor and report trading by Designated Persons and its immediate relatives</p> | <p>Pursuant to Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors in their meeting held on 11th February, 2019 has approved and adopted the Code of Conduct to regulate, monitor and report trading by Designated Persons and its immediate relatives of designated persons.</p> |

change in the Policy since the last financial year. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company’s Independent Directors held their meeting on 30th November, 2018, without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting and at the meeting, they:

- i. Reviewed the performance of non-Independent directors and the Board as a Whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non Executive Directors;
- iii. Assessed the quality and timeliness of the flow of information between the Company’s management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARISATION PROGRAMS FOR BOARD MEMBERS

The company at the time of appointing a Director, issues a formal letter of appointment which inter alia, explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All Independent Directors are provided with all policies/guidelines as framed by the Company under various statutes and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to familiarize with Company’s procedure and practices. Further, to update them on the regular basis, the Company provides copies of all amendments in Corporate Laws, Corporate Governance Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They were also informed regarding the recent amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI various regulations and recent amendments in the Companies Act, 2013. The details of Company’s Policy on Familiarisation Programs for Independent Directors are posted on the website of the Company and can be assessed at http://owmnaahar.com/nahar_polyfilm/pdf/Familiarization-Program.pdf Besides, two interactive sessions were conducted during the year. First by Mr. Satish Kumar Singla, Director of the company on the topic of SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 and Corporate

APPOINTMENT AND REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for Appointment and Remuneration of Directors, Senior Management and other employees as provided under section 178(3) of the Companies Act, 2013. The Objective of the Policy is to have an appropriate mix of Executive and Independent Directors to meet independence of Directors. The present Board consists of twelve directors. Mr. Jawahar Lal Oswal is Non-Executive Chairman. Mr. Satish Kumar Sharma is an executive director. There are five Non-Executive Directors and six Independent Directors out of which Dr. (Mrs.) Manisha Gupta is an Independent Woman Director on the Board.

The Company’s Policy of appointment and Remuneration includes criteria for determining Qualification, Positive Attributes, Independence of Directors and Other matters, as required under sub section 3 of Section 178 of the Companies Act, 2013. The Policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees. The Appointment and Remuneration policy of the Company is available on the Company’s website and can be accessed at http://www.owmnaahar.com/nahar_polyfilm/pdf/NPFLAPPOINTMENTANDREMUNERATIONPOLICY.pdf. There has been no



Governance and second by Mr. P. S. Bathla, Practicing Company Secretary ('the Secretarial Auditor of the company') on the topic of recent amendments in the Companies Act, 2013 and SEBI regulations.

NUMBER OF BOARD MEETINGS

During the year under review, the Board of Directors met four times i.e. 30th May, 2018, 6th August, 2018, 12th November, 2018 and 11th February, 2019 with a predefined agenda circulated well in advance. The intervening gap between the Meetings was as per the period prescribed under the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Your Company is engaged in the Manufacturing of Bi-Axially Oriented Polypropylene Films (BOPP) for which, sometimes the Company purchases DEPP Licenses from group company(s) which are in the ordinary course of business at Arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict of interest with the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014. However, the transactions entered into with the Group Companies during the year under review, has been given as Notes to the financial statements in accordance with the Accounting Standards

The Company has not entered into any contract or arrangement with the related parties as referred in Section 188(1) of the Companies Act, 2013. Thus, the requirement for disclosure of particulars of contracts or arrangement with related parties referred to in Section 188(1) is not applicable. However, as per Company's policy, all the Group Companies transactions regarding sales/purchase etc. are placed before the Audit Committee as well as the Board, for their information and approval.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE

DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

SHARE CAPITAL

The Paid up equity share capital of the Company as on 31st March, 2019 is Rs. 1229.40 Lacs. During the year under review, the Company has neither issued shares with differential voting rights as to dividend, voting or otherwise nor granted stock options or sweat equity under any scheme.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

As reported in our last report, the company adopted CSR Policy and decided to undertake CSR activity in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The details of the CSR policy are available on the company's website i.e. www.owmnahar.com

The disclosure in respect of the existing CSR activities pursuant to section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies(Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014, is annexed hereto as '**Annexure I**' and forms part of this Report.

AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013, the Board of Directors have already constituted Audit committee, consisting of Mr. Suresh Kumar Singla as Chairman, Dr. Vijay Asdhir and Mr. Dinesh Gogna, as members. Mrs. Nidhi Khande is the Secretary of the committee for the financial year 2018-19. She has resigned from the



designation of Company Secretary w.e.f. 30th May, 2019 (As mentioned in para 10 of this report). The committee held four meetings during the year under review.

VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2013, the Company established a Vigil Mechanism process as an extension of Company's Code of Conduct whereby any employee, director, customer, vendor etc., can report the genuine concerns or grievances to the members of the Committee about unethical behavior, actual or suspected, fraud or violation of Company's Code of Conduct so that appropriate action can be taken to safeguard the interest of the Company. The Mechanism also provides for adequate safeguards against victimization of persons who uses such mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website. The Company has a dedicated e-mail address i.e. whistleblowernpfl@owmnahar.com for reporting the genuine concerns.

The Audit Committee regularly reviews the working of the Mechanism. No complaint was received during the year under review.

SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES COMPANY

The Company does not have any Subsidiary or joint venture company. The Company has only one associate company i.e. M/s Nahar Capital and Financial Services Limited. No Company has become or ceased to be the Associate Company of the Company during the year under the review.

CONSOLIDATED FINANCIAL STATEMENTS

The Company has One Associate Company viz. M/s Nahar Capital and Financial Services Limited as defined under the Companies Act, 2013. Pursuant to the requirements of Section 129(3) of the Companies Act, 2013, the Company has consolidated the financial statements in respect of above said Associate Company for the financial year ended 31st March, 2019.

Further, a report on the performance and financial position of the Associate Company as per the Companies Act, 2013 in the Form AOC-1 is annexed to the Financial Statements for the year ended 31st March, 2019 as an **Annexure**.

CREDIT RATING

We are pleased to inform that the Credit Analysis and Research (CARE) vide their letter dated 12th March, 2019 has re-affirmed the credit rating "CARE A-" for long term bank facilities and "CARE A2+" for the short term bank facilities of the Company. The rating "CARE A-" indicates stable and rating "CARE A2+" indicates strong degree of safety regarding timely payment of the financial obligations.

GREEN INITIATIVE

The Ministry of Corporate Affairs(MCA) vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.

Accordingly, henceforth Company propose to send documents such as Notice of the General Meeting(s), Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c. or send the same to the Company via e mail at:-secnel@owmnahar.com or gredressalnpl@owmnahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the Environment.

LISTING OF SECURITIES

The securities of the Company are listed on the following Stock Exchanges:

- 1. The BSE Ltd.**
25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
- 2. The National Stock Exchange of India Ltd.**
Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051
The company has paid listing fee to both the Stock Exchanges for the financial year 2019-20.

DEMATERIALIZATION OF SECURITIES

Your company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) to facilitate the holding and trading of securities in electronic form. As on 31st March, 2019, 95.59% of the total Equity Share Capital has been de-materialized. The shareholder(s) who has not dematerialized their shares till date, are requested to opt for dematerialization of the shares at the earliest.



Further as per SEBI circular No. D & CC/FITTC/CIR-15/2002 DATED 27th December, 2002, your Company has appointed M/s Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer, demat/remat, change of address etc. to our registrar at below mentioned address:

M/s Alankit Assignments Ltd.

(Unit: Nahar Poly Films Limited)
3E/7, Alankit Heights,
Jhandewalan Extension
New Delhi-110055
Telephone No: 011-23541234
Fax No. :011-23552001
E-mail ID: rta@alankit.com

SEBI vide its Gazetted notification dated June 08, 2018 amended the Regulation 40 (1) (b) of SEBI (LODR) Regulations, 2015 whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with the Depository.

In view of the above, members are hereby informed that requests for transfer of securities in physical form are not getting processed. Hence, all members who are holding equity shares in physical form are requested to go in for dematerialization of securities at the earliest.

In case any query/complaint remains unresolved with our Registrar please write to Company Secretary at Email ID: secnel@owmnahar.com or at the Registered Office of the Company

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors would like to assure the Members that the financial statements for the year under review, confirm in their entirety to the requirements of the Companies Act, 2013.

The Directors Confirm:

- i) that in preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the

- Company for the period;
- iii) that they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting any fraud and other irregularities;
- iv) that the 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 are operating effectively; and
- vi) that the directors had devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS & AUDITOR'S INDEPENDENT REPORT**STATUTORY AUDITORS**

We wish to inform you that M/s YAPL & Co, Chartered Accountants, Firm Registration No (017800N), were appointed as Statutory Auditor of the Company by the Members, for a term of five years starting from the conclusion of the 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2022. As per the proviso of section 139(1) of the Companies Act, 2013, the matter relating to appointment of the Auditors was to be ratified by the Members at the every Annual General Meeting of the Company. The Ministry of Corporate Affairs vide its notification dated 07 May, 2018, has omitted the first proviso of section 139 of the principal Act in sub section (1). Accordingly the Board has not proposed any resolution for the ratification of Appointment of Auditors by the shareholders.

AUDIT REPORT

The Statutory Auditors have submitted the Audit Report on the Standalone as well as Consolidated Accounts of the Company for the Accounting year ended on 31st March, 2019. The observations and comments given by Auditors in their Report read together with the Notes to the Financial Statements are self explanatory and require no comments.

COST AUDITORS

We would like to inform you that the Ministry of Corporate Affairs vide its Notification dated 31st December, 2014 amended Companies (Cost Records and Audit) Rules, 2014, pursuant to which, the Company's business activities has been included within the purview of Cost Audit



requirement. Accordingly, the Board of Directors on the recommendation of Audit Committee appointed M/s Khushwinder Kumar & Associates, Cost Accountant, as Cost Auditors of the Company for financial year 2019-20 and has fixed a remuneration of Rs. 45000/- subject to the ratification of the members as per the provision of Section 148(3) of the Companies Act, 2013 and Rules 14 of the Companies (Audit and Auditors) Rules, 2014, A resolution for the ratification of the remuneration of the Cost Auditor by the shareholders at the ensuing Annual General Meeting is being proposed for your approval.

SECRETARIAL AUDITOR

Pursuant to the provision of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your company has appointed M/s. P.S. Bathla & Associates, Practicing Company Secretary, having Certificate of Practice No. 2585 to conduct Secretarial Audit of the Company for the financial year 2019-20.

M/s. P.S. Bathla & Associates, Practicing Company Secretary have carried out the secretarial Audit for the financial year ended 31st March, 2019 and submitted their Secretarial Audit Report in the format of MR-3 as annexed herewith this report as 'Annexure II' and forms part of this report.

The Report is self explanatory and requires no comments.

BUSINESS RISK MANAGEMENT

The Company has laid down Risk Management Policy. The Policy aims to identify, evaluate manage and monitor all types of risks which are associated with the business of the Company. The Board as well as Audit Committee regularly oversee the risk management process in the Company, as required under 134(3)(n) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is engaged in the manufacturing of BOPP Films and has identified certain risks which may affect the performance of the Company. These include operational risks such as fluctuation in the prices of the raw materials which include petrol, fluctuation in foreign exchange rates, Labour problems, regulatory risks, Government Policy etc. We are of the opinion that none of identified risk is such that which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROL AND SYSTEMS

The Company is maintaining an efficient and effective system of Internal Financial Control for the facilitation of speedy and accurate compilation of financial statements. The Company's Internal Financial Control System is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliances with procedures, laws and regulations. The Company's Internal Control System commensurate with the nature of its business and size of its operations.

The Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal Financial Control system commensurate with the nature of its business and the size of its operations. In order to further strengthen the Internal control system and to automate the various processes of the business, the company is making use of Enterprise Resource Planning (ERP).

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed M/s. Piyush Singla & Associates, a firm of Chartered Accountants as Internal Auditor of the Company for the financial year 2019-20. The Company is also having an Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and to suggest improvement in the systems.

Apart from the above, an Audit Committee consisting of three non-executive directors has been constituted. All the significant audit observation and follow up action thereon are taken care of by the Audit Committee. The Committee oversees the adequacy of Internal Control. The Audit Committee met four times during the financial year 2018-19. The Company has also established a Vigil Mechanism as per Section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

PUBLIC DEPOSITS

During the year under review, the company has not accepted any Public Deposits within the meaning of section 73 of the Companies Act, 2013 and the rules framed there under. There is no



outstanding/unclaimed deposit from the Public. However, the information as required under Rule 8 of the Companies (Accounts) Rules, 2014 is given hereunder:-

- I. Deposits accepted during the year: Nil
- II. Deposits remained unpaid or unclaimed as at the end of the year: Nil
- III. Default in repayment of deposits and deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013: Not Applicable

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

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2018-19, the Company has not received any complaints on sexual harassment and hence, no complaint remains pending as on 31st March, 2019.

ANNUAL RETURN

The Extract of Annual Return of the Company, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2018-19 in the Form MGT-9 has been uploaded on Company's website at http://www.ownahar.com/nahar_polyfilm/pdf/Extract_of_Annual_Return_2018-19.pdf

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as 'Annexure III' and form part of this report.

In terms of section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. However, the details regarding remuneration received by Executive Director is also given in 'Annexure III' and form part of this report

During the year under review, No employee of the Company was in receipt of remuneration exceeding the limits as provided under Rule 5(2) of the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The detailed information as required under section 134(3) of the companies Act, 2013 read with Sub rule 3 of the Rule 8 Companies (Accounts) Rules, 2014, is enclosed as per 'Annexure IV' and forms part of this report.

REPORT ON THE CORPORATE GOVERNANCE

Your Company continues to follow the principles of good Corporate Governance. The company has already constituted several committees of directors to assist the Board in good Corporate Governance. The Corporate Governance Report along with the Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in Part C of Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached herewith as 'Annexure V' and forms part of this report.

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 enclosed as per 'Annexure VI' and forms the part of this Report.

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year and the excellent results were achieved with the whole hearted co-operation of employees at all levels.

FOR AND ON BEHALF OF THE BOARD

JAWAHAR LAL OSWAL

PLACE : LUDHIANA

(CHAIRMAN)

DATED : 13TH AUGUST, 2019

DIN:00463866



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee framed the Corporate Social Responsibility Policy (CSR Policy) and the same was adopted by the Board of Directors on 11th August, 2014. As per policy, Company is undertaking CSR activities in collaboration with group companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The CSR policy is also available on the Company’s website at the link: http://owmnaahar.com/nahar_polyfilm/pdf/scan0003.pdf

2. **Composition of the CSR Committee:** Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has also constituted Corporate Social Responsibility Committee comprising of three Directors namely:

| Name of Director | Status |
|--|----------|
| Mr. Dinesh Oswal, Director | Chairman |
| Mr. S. K. Singla, Independent Director | Member |
| Mr. Dinesh Gogna, Director | Member |

3. **Average net profit of the Company for last three financial years:** Rs. 1087.57 Lacs
 4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs. 21.75 Lacs
 5. **Details of CSR spend for the financial year:**

(a) **Total amount spent for the financial year:** 21.75 Lacs

(b) **Amount unspent, if any:** Nil

(c) **Manner in which the amount spent during the financial year :**

During the year under review, the company contributed an amount of Rs. 21.75 Lacs for financial year 2018-19 to Oswal Foundation for undertaking CSR projects as approved by the company’s CSR committee. The company contributed in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields.

Further, a CSR reserve of Rs. 38.47 Lacs was created in preceding financial years for the unspent amount on CSR activities upto the financial year 2017-18. Out of which, the company contributed in the year 2018-19, the amount of Rs. 38.12 Lacs which includes Rs. 16.63 Lacs for financial year 2016-17 and Rs 21.49 Lacs for the financial year 2017-18, to Oswal Foundation for the purpose of undertaking the CSR activities as approved by the company’s CSR committee. Besides, the company made a donation of Rs. 0.35 lacs in favour of Utkarsh Star Mitra Mandal (N.G.O.) for Environmental Awareness Campaign titled ‘SAY NO TO PLASTIC BAGS’ for the financial year 2017 -18. Hence, There is no outstanding amount in CSR reserve as on 31st March, 2019.

We would also like to update the information as under:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|------------------------------------|--|--|--|--|--|--|
| Sr. No. | CSR Project or activity identified | Sector in which the Project is covered | Projects or programs 1) Local area or other 2) Specify the State and District where project (or programs) was undertaken | Amount outlay(budget) project or programs wise | Amount spent to the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads: | Cumulative expenditure upto the reporting period | Amount Spent Direct or through implementing agency |
| | -- | -- | -- | -- | -- | -- | -- |

6. **Reasons for not spending the two percent of the average net profits of the last three financial years:**
Not Applicable
7. **A responsibility statement of the CSR Committee:** The members of the CSR Committee hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

PLACE: LUDHIANA
 DATE : 13TH AUGUST, 2019

Sd/-
DINESH OSWAL
 DIRECTOR/ CHAIRMAN (CSR COMMITTEE)
 DIN : 00607290



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To
The Members,
Nahar Poly Films Ltd.
376, Industrial Area A,
Ludhiana Punjab-141003

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

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Nahar Poly Films Ltd** ("The Company") for the financial year ended on **31st March, 2019** according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(Not Applicable as the Company has not issued any shares during the year under review)
 - (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 The Company has informed that there are no Sector Specific laws which are applicable to the Company.

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

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



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

2. I further report that

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

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

For PS Bathla & Associates

**Parminder Singh Bathla
Company Secretary**

FCS No. 4391

C.P No. 2585

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

Place: Ludhiana

Date : 13th August, 2019

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

'Annexure A'

To
The Members,
Nahar Poly Films Limited
376, Industrial Area A
Ludhiana, Punjab- 141003

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

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

For PS Bathla & Associates

**Parminder Singh Bathla
Company Secretary**

FCS No. 4391

C.P No. 2585

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

Place: Ludhiana

Date : 13th August, 2019



Annexure-III

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director /KMP for financial year 2018-19 | % increase in Remuneration in the Financial Year 2018-19 | Ratio of remuneration of each Director/ to median remuneration of employees | Comparison of the Remuneration of the KMP Against the Performance of the Company |
|---------|--|--|--|---|--|
| 1 | Mr. Jawahar Lal Oswal Non-Executive Director | 40000 | 0 | 0.17 | -- |
| 2 | Mr. Dinesh Oswal Non Executive Director | 40000 | +33.33 | 0.17 | -- |
| 3 | Mr. Kamal Oswal Non-Executive Director | 40000 | 0 | 0.17 | -- |
| 4 | Mr. Dinesh Gogna Non-Executive Director | 40000 | 0 | 0.17 | -- |
| 5 | * Mr. Satish Kumar Sharma Executive Director | 2460925 | 12.34 | 10.41 | PBT increased by 80.56% & PAT increased by 78.74% in F.Y. 2018-19 |
| 6 | Mr. Komal Jain Non-Executive Director | 40000 | 0 | 0.17 | -- |
| 7. | Dr. Amrik Singh Sohi Independent Director | 30000 | -25.00 | 0.13 | -- |
| 8. | Dr. Inder Mohan Chhibba Independent Director | 40000 | +100.00 | 0.17 | -- |
| 9. | Dr. Suresh Kumar Singla Independent Director | 20000 | -50.00 | 0.08 | -- |
| 10. | Dr. Yash Paul Sachdeva Independent Director | 40000 | +300 | 0.17 | -- |
| 11. | Dr. Vijay Asdhir Independent Director | 40000 | 0 | 0.17 | -- |
| 12. | Dr. (Mrs.) Manisha Gupta Independent Director | 40000 | +100.00 | 0.17 | -- |
| 13. | Mr. Rakesh Kumar Jain Chief Financial Officer | 987477 | 10.72 | -- | PBT increased by 80.56% & PAT increased by 78.74% in F.Y.2018-19 |
| 14. | Mrs. Nidhi Khande Company Secretary | 372219 | 18.00 | -- | |

- ii) The median remuneration of employees of the company during the financial year 2018-19 was Rs. 236260/-.
- iii) In the financial year, there was an increase of 5.18% in the median remuneration of employees.
- iv) There were 181 permanent employees on the rolls of company as on 31st March, 2019.
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2018-19 was 8.43% whereas average percentage increase in the managerial remuneration in the last financial year 2018-19 was 12.47%.
- vi) It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for Directors, Key Managerial Personnel and other Employees.

B. DETAILS OF TOP TEN EMPLOYEES OF THE COMPANY IN TERMS OF SALARY DRAWN AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

| Sr. No. | Name & Designation | Remuneration received (Rs. in Lakhs) | Nature of employment (contractual or otherwise) | Qualification & Experience | Date of commencement of employment | Age | Last employment held | % age of equity shares held | Whether relative of any director or manager |
|---------|---|--------------------------------------|---|----------------------------|------------------------------------|-----|---------------------------------|-----------------------------|---|
| 1 | Mr. Sanjay M Karandikar Chief Executive | 48.96 | Regular | B.E. 34 Years | 04.03.2008 | 56 | Uflex Limited U.P. | Nil | No |
| 2. | Mr. S Chandrakanth Rao President Marketing | 26.59 | Regular | B-Tech 32 Years | 01.05.2012 | 51 | Uflex Limited U.P. | Nil | No |
| 3. | Mr. Satish Kumar Sharma Executive Director | 24.61 | Regular | MBA 28 Years | 01.05.1991 | 67 | Rallis India Ltd | Nil | No |
| 4. | Mr. Surinder Singh V.P. Comm & Admin. | 20.06 | Regular | B.Com., CA Inter 36 Years | 16.03.2011 | 63 | Oswal FM Hammerle Textiles Ltd. | Nil | No |
| 5. | Mr. Ashok Gupta Sr. Manager Mechanical | 15.95 | Regular | B.E.Mech 29 Years | 07.04.2011 | 56 | Jindal Poly Films Ltd | Nil | No |
| 6. | Mr. Uday S Deshpande V.P. Production | 15.75 | Regular | B.E 23 Years | 01.12.2017 | 44 | Garware Polyester Ltd. MH | Nil | No |
| 7. | Mr. Amit Kumar Verma Manager Marketing | 14.67 | Regular | MBA 14 Years | 01.03.2005 | 38 | Reliance Communication | Nil | No |
| 8. | Mr. Shailesh Singh Sr. Manager O.A. | 12.40 | Regular | MSC. 31 Years | 04.02.2010 | 55 | Uflex Limited U.P. | Nil | No |
| 9 | Mr. Imran Ahmad Khan Manager Electrical | 11.47 | Regular | M.Tech 11 Years | 15.09.2016 | 33 | Uflex Limited U.P. | Nil | No |
| 10. | Mr. Kaushal Aggarwal Manager Metallizer | 10.04 | Regular | MBA, Dip in Mech. 21 Years | 12.01.2010 | 42 | M.G.M Metallizer Ltd | Nil | No |

FOR AND ON BEHALF OF THE BOARD

*Except Sh. S.K. Sharma, Executive Director of the Company, all other directors are paid only sitting fees for attending the Board Meeting.

**PLACE: LUDHIANA
DATED: 13TH AUGUST, 2019**

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



Annexure-IV

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

(i) Measures taken for conservation of energy:

The growth of the industry and its rapid industrialization is putting tremendous pressure on the available energy resources. As such the need of the hour is to conserve energy and maximize output. Energy conservation is an ongoing process in our organization and the Company has taken following steps for the same:

1. The factory building has been designed to make use of natural lighting for the day time operation which will save energy.
2. The company has imported state of the art manufacturing facility from Bruckner of Germany. These machines consumes low energy and will save considerably in terms of electricity consumption.
3. All the drives for main equipments of the plant are direct drives without gear boxes which reduces the power transmission losses.
4. The Company has started using PET coke thermic fluid heater which will reduce the energy cost as compared to present furnace oil thermic fluid heater. Besides this the Company has also used Lime Powder Hydrated 80%, Lime Stone - 25 To 40 MM, Pet Coke, Ultra Low Sulphur diesel as fuel as per detail given below:

| ITEM | QTY. | AMOUNT |
|-----------------------------|----------|-------------|
| LIME POWDER - HYDRAUTED 80% | 16100.00 | 82793.25 |
| LIME STONE - 25 to 40 MM | 15500.00 | 44743.87 |
| PET COKE | 1282.21 | 15575887.68 |
| ULTRA LOW SULPHUR DIESEL | 2848.00 | 201692.88 |

(ii) Steps taken by the Company for utilizing alternate sources of energy:

- The Company has installed Close Loop Cooling Tower (CLCT EQUIPMENT) in the year 2017-18 for saving of power energy. Due to the installation, the company will save 1323700 units every year.
- The company has installed LED light of 45 watt in plant instead of HI bay fitting of 250 watt. By this initiative, the company saved approx 37500 units in the year 2018-19.

(iii) The Capital investment on energy conservation equipments: NIL

B. TECHNOLOGY ABSORPTION

The Company continues to make efforts for technology Absorption in its unit. The efforts made by the Company are summarized as under:

• **Efforts made towards Technology Absorption:**

The company has imported the latest ultra modern machinery from Bruckner, Germany. It is expected that with the latest technology, company will be able to produce quality products at lowest cost of production.

• **Benefits derived as result of above efforts:**

With the above measures, company shall enjoy the benefit of improved quality, productivity & saving in manufacturing costs.

• **Information regarding Technology imported during the last three years:**

Detail of Technology imported : **NIL**
 Year of import : **NA**
 Whether the technology has been fully absorbed: : **NA**
 If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : **NA**

• **Expenditure on R & D:**

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (I) Activities relating to Exports, initiative taken to increase exports, Development of New Export Market for products and export plans: During the financial year 2018-19 the Company was able to retain its old customers. At present the Company is exporting its products to Nigeria, United Kingdom, United Arab Emirates, Bangladesh, Turkey, Oman, Tanzania, Nepal, and Slovak Republic etc.

(II) Total Foreign Exchange used and earned (in Rs.)

| | Current Year 2018-19 | Previous Year 2017-18 |
|-------------------------|----------------------|-----------------------|
| Foreign Exchange outgo | 143867175 | 119678408 |
| Foreign Exchange earned | 28655739 | 21019801 |

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
 DATED: 13TH AUGUST, 2019

JAWAHAR LAL OSWAL
 (CHAIRMAN)
 DIN: 00463866



CORPORATE GOVERNANCE REPORT

Annexure-V

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company continues to practice the principle of good Corporate Governance. It is company's firm belief that good Corporate Governance is a key to success of business. The company's philosophy envisages an attainment of highest level of the transparency and accountability in its operations so that company's goal of creation and maximization of wealth of the shareholders could be achieved. Moreover Good Corporate Governance practices ensure that Company gain as well retain the trust of Shareholders. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations, 2015") incorporate certain mandatory disclosure requirements which shall be made with regard to Corporate Governance (Part C of Schedule V). Further, the SEBI vide its circular dated 9th May, 2018 has amended few Regulations of SEBI LODR Regulations, 2015, through SEBI LODR (Amendment) Regulations, 2018, which are applicable as specifically provided in these Regulations (SEBI LODR (Amendment) Regulations, 2018) and they shall come into force w.e.f. 1st April, 2019. Accordingly, we are pleased to report on the corporate governance as hereunder:-

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

Your Management believe that well informed and Independent Board is necessary to ensure high standard of Corporate Governance. The Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribe that the Board of the Company should have the optimum combination of executive and non-executive directors with at least one woman director. Provided where the regular non-executive Chairperson is promoter of the listed entity or is related to any promoter then at least half of the Board of Directors shall consist of Independent Directors.

We are pleased to inform that Company's Board is an optimal mix of Executive, Non-Executive and Independent Directors so as to maintain its independence in Governance and Management of the Company. The present strength of the Board as on 31st March, 2019 is 12 (Twelve) Directors.

Mr. Satish Kumar Sharma is Executive Director of the Company. Mr. Jawahar Lal Oswal is Non-

Executive Chairman. He is also one of the promoters of the Company. Accordingly, in compliance with Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Board consisting of half of the Board as Independent Non-Executive Directors namely: Dr. Amrik Singh Sohi, Dr. Inder Mohan Chhibba, Dr. Suresh Kumar Singla, , Dr. Yash Paul Sachdeva, Dr. Vijay Asdhir and Dr. (Mrs.) Manisha Gupta. Mr. Dinesh Oswal, Mr. Kamal Oswal, Mr. Dinesh Gogna and Mr. Komal Jain are other Non-executive Directors of the Company. Dr. (Mrs.) Manisha Gupta is an Independent Woman Director of the Company. Thus, the Company has complied with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Board Meetings held and dates on which held:

As per the provisions of Section 173 of the Companies Act, 2013 and the rules made thereunder, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every company is required to hold minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. We are pleased to report that the Company held Four Board Meetings during the year. i.e. on **30th May, 2018, 6th August, 2018, 12th November, 2018** and **11th February, 2019** with a clearly defined agenda and has thus, complied with the said provisions of the Act. The agenda along with the explanatory notes were circulated to the directors well in advance. Every Board member could suggest the inclusion of additional items in the agenda. All the Directors striven to be present at the Board Meetings.

The last Annual General Meeting held on 28th September, 2018 for the Financial Year 2017-18.

c. Details of Attendance of Directors at the Board Meetings and Last Annual General Meeting:

The participation of Non-Executive Directors and Independent Directors has been active in the Board Meetings. The Attendance record of directors in the Board Meeting and the last Annual General Meeting held during the year 2018-19 is given here under:



| Name of Directors | Category | No. of Directorship in other Public Companies | No. of Committee position held in other Public Companies | | No. of Meetings attended | Last AGM Attended | No. of Shares Held | Directorship in other Listed Entities | |
|--------------------------|---------------------------|---|--|----------|--------------------------|-------------------|--------------------|---|----------------------|
| | | | Member | Chairman | | | | Name | Category |
| Mr. Jawahar Lal Oswal | Non-Executive Promoter | 9 | -- | -- | 4 | No | -- | 1. Nahar Industrial Enterprises Limited 2. Nahar Spinning Mills Ltd. 3. Nahar Capital and Financial Services Limited 4. Monte Carlo Fashions Limited | Director |
| Mr. Dinesh Oswal | Non-Executive Promoter | 9 | -- | -- | 4 | Yes | 105273 | 1. Nahar Industrial Enterprises Limited 2. Nahar Spinning Mills Ltd. 3. Nahar Capital and Financial Services Limited | Director |
| Mr. Kamal Oswal | Non-Executive Promoter | 9 | 1 | 0 | 4 | Yes | 31500 | 1. Nahar Industrial Enterprises Limited 2. Nahar Spinning Mills Ltd. 3. Oswal Leasing Limited 4. Nahar Capital and Financial Services Limited | Director |
| Mr. Satish Kumar Sharma | Executive | 2 | 2 | 1 | 4 | Yes | -- | 1. Nahar Spinning Mills Ltd. 2. Nahar Capital and Financial Services Limited | Director |
| Mr. Dinesh Gogna | Non-Executive | 9 | 4 | 2 | 4 | Yes | 2127 | 1. Nahar Spinning Mills Ltd. 2. Nahar Capital and Financial Services Ltd. 3. Nahar Industrial Enterprises Limited 4. Monte Carlo Fashions Ltd. 5. Oswal Leasing Limited | Director |
| Mr. Komal Jain | Non-Executive | 8 | -- | -- | 4 | Yes | -- | -- | |
| Dr. Amrik Singh Sohi | Non-Executive Independent | 4 | 1 | 1 | 3 | Yes | -- | 1. Nahar Industrial Enterprises Limited 2. Nahar Spinning Mills Ltd. 3. Nahar Capital and Financial Services Limited 4. Monte Carlo Fashions Ltd. | Independent Director |
| Dr. Inder Mohan Chhibba | Non-Executive Independent | -- | -- | -- | 4 | Yes | -- | -- | |
| Dr. Suresh Kumar Singla | Non-Executive Independent | 5 | 4 | 2 | 2 | Yes | -- | 1. Nahar Industrial Enterprises Limited 2. Nahar Spinning Mills Ltd. 3. Nahar Capital and Financial Services Limited 4. Monte Carlo Fashions Ltd. | Independent Director |
| Dr. Yash Paul Sachdeva | Non-Executive Independent | 1 | 1 | -- | 4 | No | -- | -- | -- |
| Dr. Vijay Asdhir | Non-Executive Independent | 3 | 1 | 3 | 4 | Yes | -- | 1. Nahar Industrial Enterprises Limited 2. Nahar Spinning Mills Ltd. 3. Nahar Capital and Financial Services Ltd. | Independent Director |
| Dr. (Mrs.) Manisha Gupta | Non-Executive Independent | 4 | 2 | 0 | 4 | No | -- | 1. Nahar Spinning Mills Ltd. 2. Nahar Capital and Financial Services Limited 3. Monte Carlo Fashions Ltd. | Independent Director |



d. Number of other Board of Directors or Committees in which Directors are member or chairperson:

The information regarding other Board of Directors or Committees in which Directors are member or chairperson as on 31st March, 2019 is already given in the table at Para C above. None of the Director holds Directorship in more than twenty Companies and a Director of more than ten public companies as prescribed under Section 165(1) of the Companies Act, 2013. The number of Committees in which a Director can be a member or chairperson are as per the limit specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. Disclosure of relationship between directors inter-se:

Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal and Mr. Dinesh Oswal. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers. No other director is related to any other Director of the Company within the meaning of Section 2(77) of the Companies Act, 2013.

f. No. of Shares or Convertible Instruments held by non-executive directors:

Mr. Dinesh Oswal and Mr. Kamal Oswal are Non-Executive Promoter Directors and they are holding 105273 and 31500 equity shares of Rs. 5/- each of the company respectively. Mr. Dinesh Gogna is a Non- Executive Director holding 2127 equity shares of Rs. 5/- each of the company. None of the other Non-Executive Director is holding any share or convertible instruments issued by the Company.

g. Web link of Familiarization Programs:

The details of Company's Policy on Familiarization Programs for Independent Directors are posted on the website of the Company and can be accessed at http://owmnahar.com/nahar_polyfilm/pdf/Familiarization-Program.pdf

h. Board-skills/expertise/competencies:

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations, the Board of Directors has identified the following the requisite skills/expertise and competencies as required in the context of Company's business and sector to function effectively and which are currently available with the Board:

| Sr. No. | Core skills/expertise/competencies |
|---------|--|
| 1. | Leadership skills |
| 2. | Industry knowledge and experience |
| 3. | Managerial and entrepreneurial skills |
| 4. | Experience and exposure in policy shaping and industry promotion |
| 5. | Understanding of relevant laws, rules, regulations and policies |
| 6. | Corporate Governance |
| 7. | Financial expertise |
| 8. | Risk Management |
| 9. | Information Technology |

i. Separate Meeting of Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder the Independent Directors are required to hold atleast one meeting in a year without the attendance of Non-Independent Directors and members of Management. We are pleased to report that the Company's Independent Directors met on 30th November, 2018, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. At the Meeting, they -

- Reviewed the performance of non-independent directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

III. BOARD COMMITTEES

The Board has constituted Audit committee, Nomination and Remuneration committee, Stakeholder Relationship committee, which helps the Board in good corporate governance. Normally all the committees meet four times in a year. The recommendation of the Committees submitted to the Board for their approval.

1. AUDIT COMMITTEE

a. Brief Description of Terms of Reference:

The Board has constituted an independent and qualified Audit Committee. The term of reference of the Audit Committee is as per Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177(4) of the Companies Act, 2013.

**b. Composition:**

The Audit Committee is comprised of three Non-Executive Directors under the chairmanship of Dr. S. K. Singla, who is an Independent Director. Mr. Dinesh Gogna, a Non-Executive Director and Dr Vijay Asdhir, an Independent Director are the two other members of the Audit Committee. Dr. S.K. Singla is a retired Prof.-cum-Head of Department of Business Management, Punjab Agricultural University, Ludhiana. He is having 33 years of experience in teaching Finance and Management and at present he is working as a director in Guru Nanak Auto Institute of Management and Technology. Mr. Dinesh Gogna is also a senior corporate executive having 39 years of experience in Corporate Finance, taxation, Financial and Accounting matters. Likewise Dr Vijay Asdhir who is Post Graduate in Commerce, and having 37 years of experience in Teaching and Administration and at present he is working as Director in the Khalsa Institute of Management, Ludhiana. Mrs. Nidhi Khande is the Secretary of the Committee for the financial year 2018-19. Mr. Rakesh Kumar Jain is Chief Financial Officer of the Company a permanent invitee of the Committee. The statutory Auditors, internal auditors and Cost Auditors are also invited to attend the meetings, as and when felt necessary and as per relevant provisions of the applicable laws/rules.

The Audit Committee helps the board in monitoring Company's financial reporting process and ensures timely and accurate disclosure. The committee also oversees the work of internal and statutory auditors.

c. Meetings and Attendance

During the financial year 2018-19, the committee met four times i.e. on 30th May, 2018, 6th August, 2018, 12th November, 2018 and 11th February, 2019 for reviewing and adopting the quarterly Audited / Un-audited financial results before recommending the same to the Board of Directors for their perusal and adoption.

The attendance record of the Audit Committee members at the meetings during the year 2018-19 is as under:-

| Name of the Member | No. of meetings held | No. of meetings attended |
|--------------------|----------------------|--------------------------|
| Dr. S.K. Singla | 4 | 2 |
| Dr. Vijay Asdhir | 4 | 4 |
| Mr. Dinesh Gogna | 4 | 4 |

Mr. S.K.Singla, Chairman of the Audit Committee attended the last Annual General Meeting of the company held on 28th September, 2018 and replied/clarified the queries raised at the Annual General Meeting.

2. NOMINATION & REMUNERATION COMMITTEE**a. Brief Description of Terms of Reference:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board constituted the Nomination and Remuneration Committee. The broad term of reference of the Nomination and Remuneration Committee is as per the requirements of Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee identifies the persons who are suitable and qualified enough to become directors and who may be appointed in the Senior Management category in accordance with the criteria laid down / approved by the Board and recommend to the Board their appointment & removal. It carries out the evaluation of every director's performance. The Committee also ensures that the Company's remuneration policies, in respect of Executive Director, Key Managerial Personnel, Senior Executives and others are competitive so as to recruit and retain best talent in the company. It also ensures that appropriate disclosure of remuneration paid to the Directors, Executive Director, KMP and Senior Executives are made as per the applicable provisions of the Companies Act, 2013. It also devises a policy on "Diversity of Board of Directors".

b. Composition:

The Nomination and Remuneration committee comprised of three Non-Executive directors under the chairmanship of Dr. S. K. Singla who is an Independent Director. Mr. Komal Jain, a Non-Executive Director and Dr. (Mrs.) Manisha Gupta, an Independent Director are the two other members of the committee.

c. Meetings and Attendance:

The Nomination and Remuneration Committee met twice during the year i.e. on 29th May, 2018 and 6th August, 2018. The attendance record of



the Members at the meetings held during the year 2018-19 is as follow:-

| Name of the Member | No. of meetings held | No. of meeting attended |
|--------------------|----------------------|-------------------------|
| Dr. S.K. Singla | 2 | 0 |
| Dr. Manisha Gupta | 2 | 2 |
| Mr. Komal Jain | 2 | 2 |

d. Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of parameters for evaluation includes education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement and contribution, independence of judgement, ability to communicate effectively with other board members and Management, effective decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

e. Remuneration of Directors

(i) Pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company:

None of the Non-Executive Director has any pecuniary relationships or transactions vis-à-vis the Company.

(ii) Criteria of making payment to Non-executive Directors:

The Non-Executive Directors are paid remuneration in the form of sitting fee of Rs. 10,000/- per meeting for attending the Board Meeting of the Company. The detail of sitting fee paid to Non executive Directors are during the year 2018-19 is as follows:

| Name of Director | Sitting Fee (Rs.) |
|--------------------------|-------------------|
| Mr. Jawahar Lal Oswal | 40000 |
| Mr. Dinesh Oswal | 40000 |
| Mr. Kamal Oswal | 40000 |
| Mr. Dinesh Gogna | 40000 |
| Mr. Komal Jain | 40000 |
| Dr. Amrik Singh Sohi | 30000 |
| Dr Inder Mohan Chhibba | 40000 |
| Dr. Suresh Kumar Singla | 20000 |
| Dr. Yash Paul Sachdeva | 40000 |
| Dr. Vijay Asdhir | 40000 |
| Dr. (Mrs.) Manisha Gupta | 40000 |
| TOTAL | 4,10,000 |

(iii) Disclosures with respect to remuneration:

All the non-executive directors of the Company are paid sitting fees for attending Board Meeting. Mr. Satish Kumar Sharma being the Executive Director of the Company has been paid remuneration pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013. The disclosure in respect of remuneration paid to Mr. Satish Kumar Sharma is as detailed below:

(iv) Elements of remuneration package

The elements of remuneration package paid to Mr. Satish Kumar Sharma, Executive Director of the Company during the year 2018-19 is as follows:

| Name of the Director | Salary | Benefits | Bonus | Stock Options | Pension | Total |
|-------------------------|-----------|----------|-------|---------------|---------|-----------|
| Mr. Satish Kumar Sharma | 24,60,925 | -- | -- | -- | -- | 24,60,925 |

(v) Details of fixed components and performance linked incentives, along with performance criteria:

The remuneration of Executive Director of the Company comprises of fixed component only i.e. salary, perquisites and retirement benefits. He is not entitled to any performance linked incentives. The remuneration of Executive Director is recommended by the Nomination and Remuneration Committee and approved by Board of Directors and shareholders of the Company.

(vi) Service contracts, Notice period and Severance fees

The tenure of office of Executive Director is for three years from the respective date of appointment and can be terminated by either party by giving one month notice in writing. There is no separate provision for payment of severance fees.

(vii) Stock option details

None of the Non-Executive Director has been granted any stock option by the Company.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted the Stakeholders' Relationship Committee. The Committee looks into the complaints/grievances of shareholders in



respect of transfer/transmission of shares, Non receipt of Dividend, Share Certificates, and Annual Reports etc. and recommends measures for improving the quality of investor service. The Committee also oversees the performance of M/s Alankit Assignments Ltd. the Registrar and Transfer Agent of the Company. The main objective of the committee is to assist the Board and Company in maintaining healthier relationship with all stakeholders.

b. Composition:

The Stakeholders' Relationship Committee comprised of three Non-Executive directors under the Chairmanship of Dr. (Mrs.) Manisha Gupta, who is Woman Independent Director. Mr. Komal Jain, a Non-Executive Director and Dr. A. S. Sohi, an Independent Director are the two other members of the Committee.

c. Meetings and Attendance

The Committee met four times during the year. i.e. on 29th May, 2018, 6th August, 2018, 12th November, 2018 and 11th February, 2019. The attendance record of members at the meetings held during the year 2018-19 is as follow:-

| Name of the Member | No. of meetings held | No. of meetings attended |
|--------------------|----------------------|--------------------------|
| Dr. Manisha Gupta | 4 | 4 |
| Mr. Komal Jain | 4 | 3 |
| Dr. A. S. Sohi | 4 | 3 |

d. Name and Designation of Compliance Officer

During the financial year 2018-19, Mrs. Nidhi Khande was the Compliance Officer of the Company. She resigned from the designation of company secretary & Compliance Officer w.e.f. 30th May, 2019. Ms. Bhoomika, Company Secretary is the Compliance Officer of the Company w.e.f. 30th May, 2019.

e. Details of Investors' complaints received/resolved/not solved to the satisfaction of shareholders/pending:

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

No. of complaints received during the year: **07**
 No. of complaints resolved during the year: **07**
 No. not solved to the satisfaction of shareholder: **NIL**
 No. of complaints pending as on 31st March, 2019: **NIL**

f. Dedicated e-mail for Investor Grievance: To enable investors to register their grievances, the Company has designated an exclusive E-mail ID. i.e. gredressalnpl@owmnahar.com.

4. SHARE TRANSFER COMMITTEE

The company has also constituted a share transfer committee comprising of 4 members under the Chairmanship of Mr. Dinesh Oswal, Director of the Company. Mr. Dinesh Gogna and Mr. Komal Jain, Directors of the Company and Mrs Nidhi Khande, Company Secretary of the Company are the members of the committee for the financial year 2018-19. The committee is responsible for approving the transfer and transmission of securities, dematerialization of shares, issuance of duplicate share certificates and other shareholders related issues. The committee met twenty four times during the period April, 2018 to March, 2019 i.e. 16th April, 2018, 30th April, 2018, 15th May, 2018, 31st May, 2018, 15th June, 2018, 30th June, 2018, 16th July, 2018, 31st July, 2018, 16th August, 2018, 31st August, 2018, 11th September, 2018, 29th September, 2018, 15th October, 2018, 31st October, 2018, 12th November, 2018, 30th November, 2018, 15th December, 2018, 31st December, 2018, 15th January, 2019, 31st January, 2019, 15th February, 2019, 28th February, 2019, 15th March, 2019 and 30th March, 2019. The attendance of the members is as follows:-

| Name of the Member | No. of meetings held | No. of meetings attended |
|--------------------|----------------------|--------------------------|
| Mr. Dinesh Oswal | 24 | 23 |
| Mr. Dinesh Gogna | 24 | 24 |
| Mr. Komal Jain | 24 | 24 |
| Mrs. Nidhi Khande | 24 | 24 |

Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the Shares (in respect of which dividend remain unpaid / unclaimed for a period of seven consecutive years) to the demat account of IEPF Authority as per applicable Rules. Details of shares transferred to the IEPF Authority are available on the Company's website and can be accessed through the link:



http://owmnahar.com/nahar_polyfilm/Transfer-of-Equity-Shares-to-IEPF.php. The said details have also been uploaded on the website of the IEPF Authority.

The Shareholders can claim their subject shares/dividend by making an application to the IEPF Authority in e-Form IEPF 5 as per procedure provided under Rule 7 of the IEPF Rules. The Shareholders can also view the procedure at www.iepf.gov.in.

As per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, the company has appointed M/s. Alankit Assignments Ltd, as Registrar for Share Transfer and Electronic Connectivity. Accordingly all the shareholders, investors, members of stock exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer, Demat, Remat, Change of Address etc. to our Registrar, whose address and telephone no. etc. have already been mentioned in Director's Report.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board constituted the Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act 2013, read with Companies (Corporate Social Responsibility policy) Rules, 2014. The Committee formulated and recommended company's CSR policy to the Board which was approved and adopted by the Board of Directors. The Company's CSR policy is also available on Company's website www.owmnahar.com. As per policy, company is undertaking CSR activities in collaboration with group Companies under one umbrella i.e. through Oswal Foundation which is a Registered Society formed in 2006. The Committee oversees and monitors the activities /programmes/projects undertaken by Oswal foundation.

a. Composition

The CSR Committee comprises of three Directors under the chairmanship of Mr. Dinesh Oswal, Director of the Company. Dr. S.K. Singla, Independent Director and Mr. Dinesh Gogna, Non-executive Director are other two members of the Committee. There has been no change in the composition of the committee during the year.

b. Meetings and Attendance

During the year under review, the Committee met twice i.e. on 6th August, 2018 and 29th March, 2019. The attendance record of members at the meeting held during the year 2018-19 is as follow:-

| Name of Member | No. of Meetings Held | No. of Meetings Attended |
|------------------|----------------------|--------------------------|
| Mr. Dinesh Oswal | 2 | 2 |
| Dr. S.K. Singla | 2 | 1 |
| Mr. Dinesh Gogna | 2 | 2 |

The CSR report, as required under the Act for the year ended 31st March, 2019 is attached as 'Annexure I' to the Director's Report.

6. RISK MANAGEMENT COMMITTEE:

As per the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Top 500 listed entities, determined on the basis of market capitalization as at the end of immediate previous financial year shall constitute a Risk Management Committee. We would like to inform you that the Company does not fall under the said category. Accordingly, the Regulation 21 is not applicable to the company. However, no business is free from Normal Business Risks i.e. financial risk, Exchange risk, Cotton prices risk, Policy risk, Global risk etc. The Audit Committee through its risk policies takes care of the risks so that the company could face the challenges and risk associated with the Business successfully and become a Global competitive company.

IV. GENERAL BODY MEETINGS

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

| Financial Year | Location | Date | Time |
|----------------|--|------------|----------|
| 2015-2016 | Premises Nahar Industrial Enterprises Ltd. | 30.09.2016 | 02:00 pm |
| 2016-2017 | Premises Nahar Industrial Enterprises Ltd. | 26.09.2017 | 12:30 pm |
| 2017-2018 | Premises Nahar Industrial Enterprises Ltd. | 28.09.2018 | 12:30 pm |

b. Whether any Special Resolutions passed in the previous three Annual General Meetings:

| | |
|---------|---|
| 2015-16 | 1.To Re-appoint Mr. Satish Kumar Sharma, as Executive Director of the Company for a period of three years w.e.f. 1 st August, 2017 to 31 st July, 2020. |
| 2016-17 | 1.To Re-appoint Dr. Amrik Singh Sohi, as an Independent Director of the Company to hold office for 5 consecutive years. 2.To Re-appoint Dr. Suresh Kumar Singla, as an Independent Director of the Company to hold office for 5 consecutive years. |



| | |
|---------|--|
| | 3.To Re-appoint Dr. Yash Paul Sachdeva, as an Independent Director of the Company to hold office for 5 consecutive years. 4.To Re-appoint Dr. Vijay Asdhir, as an Independent Director of the Company to hold office for 5 consecutive years. |
| 2017-18 | 1.To approve continuation of holding of office as non-executive director by Mr. Jawahar Lal Oswal (din: 00463866), upon attaining the age of 75 years. |

c. Whether any Special Resolution passed last year through postal ballot: No special resolution was passed during the financial year ended 31st March, 2019 through postal ballot.

d. Person who conducted the postal ballot exercise: Not applicable as no special resolution was passed during the financial year ended 31st March, 2019 through postal ballot.

e. Whether any special resolution is proposed to be conducted through postal ballot:

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

f. Procedure for postal ballot.

Not applicable, whenever any special resolution will be conducted through postal ballot, the procedure for postal ballot shall be as per the applicable provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

V. MEANS OF COMMUNICATION

a. Quarterly Results:

The Company's quarterly results in the format prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are approved and taken on record by the Board within the prescribed period under the Regulations and sent immediately to all Stock Exchanges on which the Company's shares are listed.

b. Newspapers wherein results normally published:

The financial results of the Company are published in leading News Paper(s) i.e. For English language in Business Standard / Financial Express and for vernacular language in Dainik Jagran.

c. Any website, where displayed:

The Company's Quarterly, Half yearly and Annual compliances / Results are displayed on the website of the Company i.e. www.ownahar.com.

The Quarterly and Annual Financial Statement along with the Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report,

Cash Flow Statement, Corporate Governance Report, Report on Management Discussion and Analysis and Shareholding Pattern etc. can also be retrieved by the investors from the website of the Company, BSE Limited and National Stock Exchange of India Limited.

d. Whether it also displays official news releases:

Whenever any official news is released, the same is also displayed on the Company's website i.e. www.ownahar.com.

e. Presentations made to institutional investors or to the analysts:

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

VI. GENERAL SHAREHOLDERS INFORMATION

a. Annual General Meeting

Date : 30th September, 2019
Day : Monday
Time : 12.30 P.M.
Venue : Premises of M/s Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

b. Financial Year: The Financial year of the company comprises of twelve months starting from 1st April of every year and ends at 31st March of next year. The current financial year of the company is from 1st April, 2018 to 31st March, 2019.

c. Dividend Payment : On or Before 10th October, 2019

d. Date of Book Closure : 14th September, 2019 to 17th September, 2019 (Both days inclusive)

e. Name and address of the Stock Exchanges at which the securities of the Company are listed:

| | |
|--|--|
| The BSE Limited 25th Floor, P.J. Towers, Dalal Street, | The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 |
|--|--|

The listing fees payable to BSE and NSE for 2019-20 have been paid in full by the Company.

f. Stock Code : For trading at BSE: **523391**
For trading at NSE: **NAHARPOLY**

g. Demat ISIN Number in NSDL and CDSL for Equity Shares: ISIN Number INE308A01027



The Annual Custodian Fees for the Financial Year 2019-20 have been paid to National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

h. Dedicated e-mail for investor Grievances:

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

i. Registration / updation of e-mail address

The Ministry of Corporate Affairs vide Circular No.17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. The Companies can now send various notices and documents, including Annual Report, to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at " s e c n e l @ o w m n a a h a r . c o m O R gredressalnpl@owmnaahar.com".

j. Market Price Data-high low during each month in last financial year

The Company's equity shares are listed at BSE and NSE. Accordingly, the month wise High and Low stock prices from April, 2018 to March, 2019 are as follows:

| Month | BSE | | NSE | |
|-----------------|-------|-------|-------|-------|
| | High | Low | High | Low |
| April, 2018 | 63.80 | 55.60 | 63.80 | 52.50 |
| May, 2018 | 57.40 | 46.80 | 57.80 | 44.90 |
| June, 2018 | 50.45 | 38.30 | 50.95 | 40.45 |
| July, 2018 | 46.70 | 38.00 | 45.85 | 38.10 |
| August, 2018 | 52.50 | 44.25 | 52.60 | 43.35 |
| September, 2018 | 49.05 | 39.00 | 50.00 | 38.60 |
| October, 2018 | 44.20 | 36.00 | 45.90 | 34.70 |
| November, 2018 | 47.80 | 38.10 | 46.40 | 38.15 |
| December, 2018 | 40.35 | 37.00 | 40.85 | 36.45 |
| January, 2019 | 43.90 | 35.80 | 44.00 | 35.00 |
| February, 2019 | 40.00 | 33.65 | 39.90 | 33.10 |
| March, 2019 | 41.00 | 35.90 | 43.30 | 36.30 |

Source: Data has been taken from the website of the BSE and NSE. The Company does not have any other sources for verification of data.

k. Performance in Comparison to broad based indices such as BSE Sensex:

The Company's equity shares are listed at BSE and NSE. Accordingly, Comparison between Nahar Poly Films Limited closing price variation

and BSE Sensex in percentage from April, 2018 to March, 2019 is as under:

| Financial year | Share Price of the Company | | | | BSE Sensex | | | |
|-----------------|----------------------------|-------------|--------------|-------------------------------------|--------------|-------------|--------------|-------------------------------------|
| | Highest (Rs) | Lowest (Rs) | Closing (Rs) | %age change over last moths closing | Highest (Rs) | Lowest (Rs) | Closing (Rs) | %age change over last moths closing |
| April, 2018 | 63.80 | 55.60 | 57.00 | 7.04 | 35213.30 | 32972.56 | 35160.36 | 6.65 |
| May, 2018 | 57.40 | 46.00 | 49.20 | -13.68 | 35993.53 | 34302.89 | 35322.38 | 0.46 |
| June, 2018 | 50.45 | 38.30 | 43.00 | -12.60 | 35877.41 | 34784.68 | 35423.48 | 0.29 |
| July, 2018 | 46.70 | 38.00 | 45.85 | 6.63 | 37644.59 | 35106.57 | 37606.58 | 6.16 |
| August, 2018 | 52.50 | 44.25 | 47.10 | 2.73 | 38989.65 | 37128.99 | 38645.07 | 2.76 |
| September, 2018 | 49.05 | 39.00 | 39.65 | -15.82 | 38934.35 | 35985.63 | 36227.14 | -6.26 |
| October, 2018 | 44.20 | 36.00 | 40.30 | 1.64 | 36616.64 | 33291.58 | 34442.05 | -4.93 |
| November, 2018 | 47.80 | 38.10 | 38.50 | -4.47 | 36389.22 | 34303.38 | 36194.3 | 5.09 |
| December, 2018 | 40.35 | 37.00 | 38.10 | -1.04 | 36554.99 | 34426.29 | 36068.33 | -0.35 |
| January, 2019 | 43.90 | 35.80 | 37.30 | -2.10 | 36701.03 | 35375.51 | 36256.69 | 0.52 |
| February, 2019 | 40.00 | 33.65 | 36.85 | -1.21 | 37172.18 | 35287.16 | 35867.44 | -1.07 |
| March, 2019 | 41.00 | 35.90 | 37.60 | 2.03 | 38748.54 | 35926.94 | 38672.91 | 7.82 |

Source: Data has been taken from the website of the BSE. The Company does not have any other sources for verification of data.

l. 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.

m. Registrar to an issue and Share Transfer Agents:

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, the Company has appointed M/s Alankit Assignments Ltd. New Delhi, as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the Shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar whose address and telephone nos. etc. have already been mentioned in the Directors' Report.

In case any query/complaint remains unresolved with our Registrar, please write to the Company Secretary at the Registered Office of the Company.

Members may kindly note that the Registrar & Transfer Agent and/or the Company will not entertain request for noting of change of address/bank details/ECS mandate in case of accounts with demat holding. For this purpose, shareholders should approach their Depository Participant.

n. Share Transfer System

The company has constituted share transfer committee consisting of four members, namely Mr. Dinesh Oswal, Mr. Dinesh Gogna and Mr. Komal Jain, Directors of the Company and Mrs



Nidhi Khande, Company Secretary of the Company. Normally Share transfer committee meets twice in a month to approve the transfer/transmission/transposition, issue of duplicate share certificates & dematerialization of shares and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 2013/SEBI LODR Regulations, 2015.

As required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate is obtained every six month 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 lodgement for transfer, transmission sub-division, consolidation, renewal & Exchange or endorsement. The Certificates is forwarded to BSE & NSE where the equity shares of the Company are listed.

- o. Distribution of Shareholding:** As on 31st March, 2019 your Company had 19127 shareholders having a total of 24587991 equity shares. The following is the distribution of Shareholding.

| No. of shares held | No. of Share holders | %of Share holders | Aggregate shares held holding | %age share |
|--------------------|----------------------|-------------------|-------------------------------|---------------|
| 1-500 | 17071 | 89.25 | 2470820 | 10.05 |
| 501-1000 | 1357 | 7.09 | 900755 | 3.66 |
| 1001-2000 | 368 | 1.92 | 538894 | 2.19 |
| 2001-3000 | 107 | 0.56 | 270029 | 1.10 |
| 3001-4000 | 55 | 0.29 | 195070 | 0.79 |
| 4001-5000 | 34 | 0.18 | 158231 | 0.64 |
| 5001-10000 | 74 | 0.39 | 550998 | 2.24 |
| 10000 & above | 61 | 0.32 | 19503194 | 79.32 |
| TOTAL | 19127 | 100.00 | 24587991 | 100.00 |

- p. The Shareholding pattern as on 31st March, 2019 as follows:**

| Shares held by | No. of Shares | %age of holding |
|----------------------------------|-----------------|-----------------|
| Banks and Mutual Funds | 2708 | 0.01 |
| Foreign holdings (FIIs, NRIs) | 162617 | 0.66 |
| Bodies Corporate | 495536 | 2.02 |
| Directors/Relatives of Directors | 3627 | 0.01 |
| Shares Transferred to IEPF | 483704 | 1.97 |
| General Public | 6182454 | 25.14 |
| Promoters | 17257345 | 70.19 |
| TOTAL | 24587991 | 100 |

- q. Dematerialization of Shares and Liquidity:** The Securities and Exchange Board of India (SEBI) has included Company's scrip in compulsory demat settlement for all type of investors. Thus, the dealing in company's equity shares can be in demat form only. To facilitate

holding and trading of securities in electronic form, your Company has established connectivity with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). The investors have an option to dematerialize their equity shares with either of the Depositories. As on 31st March, 2019, 2,35,02,955 comprising 95.59% of the total Equity Capital of the Company has been dematerialized. Shares of the Company are actively traded on the BSE Limited and the National Stock Exchange of India Limited.

Further, SEBI vide its Gazetted notification dated June 08, 2018 amended the Regulation 40 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with the Depository. The said amendment shall come into force on the one hundred and eightieth day from the publication of Official Gazette.

In view of the above, members are hereby informed that requests for effecting transfer of securities in physical form are not getting processed. Hence, all members who are holding equity shares in physical form are requested to go in for dematerialization of securities at the earliest.

- r. Outstanding American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any Convertible Instruments, which is likely to have any impact on the equity of the Company.

- s. Commodity price risk or foreign exchange risk and hedging activities**

The Company is in the Manufacturing of BOPP Films has not dealt in any commodity market and thus there is no commodity price risk. Since the Company is in the export of BOPP Films and to cover itself from exchange rate fluctuations it goes in for partial hedging by normal booking in the normal course of the business. The Company is not involved in any speculative activities.

**t. Plant Location:**

Village Sarakian,
Itayakalan Distt. Raisen (M.P.)

u. Address for Correspondence:

Nahar Tower
376, Industrial Area-A, Ludhiana-141003 (Pb.)
Phone No. : 0161-2600701 to 2600705
Fax No. : 0161-2661180, 2222942
E-mail ID : secnel@owmnaahar.com
Website : www.owmnaahar.com

v. Credit Ratings:

As on 31st March, 2019, the Company has obtained credit rating of "CARE A-" for long term bank facilities and "CARE A2+" for the short term bank facilities M/s. ICRA Limited. The rating "CARE A-" indicates stable and rating "CARE A2+" indicates strong degree of safety regarding timely payment of the financial obligations.

VII. OTHER DISCLOSURES**1. Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of the Company at large:**

During the year, there are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. During the year, the Company had not entered into any contract / arrangement/ transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the details of transactions with the Related Parties/ Group Companies/ Associates Companies are disclosed in Notes to the Financial Statements as per applicable provisions.

2. Details of Non-compliance by the Company, penalties, strictures imposed by Stock Exchanges or the Board or any Statutory Authority on any matter related to capital markets during the last three years:

The Company continues to comply with the requirements of Stock Exchanges, SEBI or any other Statutory Authorities on all matters related to capital markets during last three years. No penalty or strictures have been imposed on the company by the said authorities relating to the above.

3. Details of establishment of Vigil Mechanism/ Whistle Blower Policy:

The Board, pursuant to the provisions of Section

177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2013, has established a Whistle Blower Policy/Vigil Mechanism for its Directors and employees to report genuine concerns or grievances about the unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or Policy. The Policy provides adequate safeguards against victimisation of persons who use such mechanism. The Audit Committee regularly reviews the working of the Mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website and can be accessed at http://owmnaahar.com/nahar_polyfilm/pdf/vigil-mechanismwhistle-blower-policy.pdf.

4. Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

The company has complied with all the mandatory requirements of Corporate Governance as prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Besides, the Company has also complied with the non mandatory requirements in respect of Corporate Governance as specified Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as detailed below:

i. Un-modified opinion(s) in audit report:

The Company is already in a regime of financial statements with un-modified audit opinion.

ii. Separate posts of Chairman and CEO:

Mr. Jawahar Lal Oswal is the Chairman of the Company and Mr. Satish Kumar Sharma is Executive Director of the Company. Thus, the post of Chairman and Executive Director are held by different persons.

iii. Reporting of internal auditor:

The internal auditor may report directly to the Audit Committee.
The Company is yet to comply with other non mandatory requirements of the Corporate Governance as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**5. Web link where policy for determining 'material' subsidiaries is disclosed:**

The requirement of policy for determining material' subsidiaries is not applicable to the Company as it does not have any subsidiary company.

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

The Company has formulated the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, which can be accessed at http://owm.nahar.com/nahar_polyfilm/pdf/RPT-NAHAR-POLY.pdf.

7. Disclosure of commodity price risks and commodity hedging activities:

The Company is engaged in the Business of BOPP Films and the primary raw material for the manufacturing of BOPP Films is PP Resin which is a byproduct of petroleum with the share of around 90-95% of total raw material cost. The Price of Petroleum depends upon on price of crude oil in the international market which keeps on fluctuating from time to time because of which the price of raw material varies. During the year, the company has not dealt in any commodity market, thus there is no commodity price risk. Further, the Company is not involved in any hedging activities.

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

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

9. Certification 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 with this Report.

10. Recommendation of Committees:

In the financial year 2018-19 the board has

accepted all recommendations of its Committees.

11. Fees paid to Statutory Auditors:

The company has appointed M/s YAPL & Company, Chartered Accountants as Statutory Auditors of the company. The total fees for all services paid by the Company to the statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part, is Rs. 2,15,700/-.

12. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.

13. Prevention of Insider Trading:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of Conduct to regulate monitor and report trading by insiders. The Code helps to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary being the Compliance Officer of the company is responsible for implementation of the Code.

14. Dividend Distribution Policy:

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that top 500 listed entities based on market capitalization shall formulate a dividend distribution policy. The Company does not fall in top 500 list of listed entities hence the requirement to formulate a dividend distribution policy is not applicable to the Company.

15. Reconciliation of Share Capital Audit

The Securities and Exchange Board of India has directed vide Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held



in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid up capital. The said certificate duly certified by a Practicing Company Secretary is submitted to the Stock Exchanges within 30 days of the end of each quarter.

16. CEO and CFO Certification:

As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Certificate duly signed by the Executive Director and Chief Financial Officer was placed at the meeting of Board of Directors held on 30th May, 2019.

VIII. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT WITH REASONS THEREOF:

The Company has complied with all the requirements of Corporate Governance Report from sub-para (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

IX. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(i) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

X. CODE OF CONDUCT

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standard of transparency. Accordingly, the Company has laid down a Code of conduct for all its Board members and Senior Managerial Personnel so that conflict of interest could be avoided. The Code of Conduct suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. The code of conduct is also available on Company's website i.e. www.ownahar.com. The Board members and senior management personnel affirm the compliance of this Code annually. A declaration by the Executive Director/CEO in terms of SEBI

LODR Regulations, 2015 to the effect that members of the Board and senior management personnel have affirmed compliance with this Code of Conduct is attached with this Report.

XI. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT /UNCLAIMED SUSPENSE ACCOUNT:

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

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

FOR AND ON BEHALF OF THE BOARD

**JAWAHAR LAL OSWAL
(CHARIMAN)**

PLACE : LUDHIANA

DIN: 00463866

DATED: 13TH AUGUST, 2019

**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 Poly Films Limited
Ludhiana

I have examined the relevant records of **M/s NAHAR POLY FILMS LIMITED** 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, 2019.

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**

Sd/-

P.S. Bathla

(Proprietor)

FCS: 4391/CP No. 2585

Place : Ludhiana

Dated : 13th August, 2019

EXECUTIVE DIRECTOR'S DECLARATION

Pursuant to the requirement of Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all Board Members and Senior Management personnel of the company have affirmed compliance with Code of Conduct for Board of Directors and Senior Management Personnel for the year ended 31st March, 2019.

S.K. SHARMA

(Executive Director)

DIN: 00402712

Place : Ludhiana

Dated: 13th August, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Nahar Poly Films Limited,
Ludhiana

We have examined the compliance of conditions of corporate governance by **M/s NAHAR POLY FILMS LIMITED** for the year ended 31st March, 2019 as stipulated Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

**For YAPL & Co.
Chartered Account
(F. Reg. No. 017800N)**

Sd/-

Neha Kansal

(Partner)

Membership No. 540386

Place : Ludhiana

Dated: 13th August, 2019

**MANAGEMENT DISCUSSION AND ANALYSIS****MACROECONOMIC OVERVIEW**

The Global economic activity is slowing down because of bruising trade War between U.S.A and China and other Geo Political uncertainty. The advance economies like U.S.A. and Europe etc., has shown either decelerated growth or moderate growth. In major emerging economy too, the economic activity remained weak due to slackness in global demand. During the financial year 2018-2019, India emerged as the fastest growing major world economy despite of increased global vulnerabilities. India's economy gained momentum as a result of the stabilization of Goods and Services Tax (GST) and more investment by foreign investors. During the year, India climbed another 23 points in the World Bank's ease of doing business index to the 77th position, for the first time. According to Reserve Bank of India (RBI) Monetary Policy, India's GDP growth for Financial Year 2019 was 6.9% and expected growth for Financial Year 2020 is 7%.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Biaxially Oriented polypropylene Films (BOPP), a part of flexible packaging industry has emerged as one of the most popular packaging films in the world over a period of time. Originally developed in 1960s as a replacement for cellulose films, it has since grown far beyond this niche driving the development of new applications in packaging and industrial products. Various technical and economic factors have made the BOPP film industry one of the most dynamic sector of plastics packaging. BOPP offers various advantages such as film stiffness, transparency, salability, recyclability, good printing and coating surface which makes it highly suitable for the packaging of various products which includes biscuits, drugs, medicines, snack foods, processed and semi-processed foods, vegetables, edible oils, textile packaging etc and also for the wrapping of perfume cartoons, ready-made garment bags, adhesive tapes and print lamination. The global BOPP films for packaging market are expected to witness a CAGR of 6.0% from 2017 to 2025. In 2017, the market was worth US\$ 13,669.4 Mn and is expected to touch a valuation of US\$ 21,736.5 Mn by the end of 2025 (*Source: Persistence Market Research Report*).

Your Company is having an ultra modern BOPP Film Project with a capacity of 30000 TPA, in the state of Madhya Pradesh and is selling its products in domestic as well as export markets and has established its brand in the market.

OPPORTUNITIES AND THREATS

The growing demand for packaged food across the globe has propelled the need for BOPP films for packaging. As consumers across the globe are constantly gaining awareness regarding the way food products are packed, the demand for cost-effective and advanced packaging is increasing at a rapid pace. Growing consumer awareness regarding packaging, coupled with a shift in the preference

for flexible packaging solutions is anticipated to catapult the development of the global BOPP films for packaging market.

BOPP films have equivalent density that of Polypropylene. It is a preferred material in packaging that generates high yield and more cost effective than other substrates of packaging. Additionally, the rising demand for an enhanced shelf life of food products has resulted in a greater demand for high moisture barriers in packaging films. This is further projected to boost sales of BOPP films for packaging in the coming years.

Apart from conventional Tape/Textile and food packaging market, the new applications of BOPP films are emerging which will further improve the prospectus of the industry. The enormous untapped market for BOPP Films in emerging economies is also expected to offer growth opportunities to BOPP film Industry.

Though the BOPP Films industry continues to witness a reasonable growth on account of favorable factors but it is not immune from normal business threats and challenges. Because of the competitive plastic films, Industry faces stiff competition both from international as well as domestic manufactures. The Company has identified certain risks which may affect the performance of the Company. These include operational risks such as fluctuation in the prices of the raw materials which include petrol, fluctuation in foreign exchange rates, Labour problems, regulatory risks, Government Policy etc. We are of the opinion that none of identified risk is such that which may threaten the existence of the Company.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The disclosure requirements of Ind AS-108, issued by the Institute of Chartered Accountants of India are not applicable on the company as the main business activity of the company fall under single segment.

FUTURE OUTLOOK

We anticipate that in coming years the BOPP Films industry seems to show reasonably good growth in comparison to the previous years. The phenomenal growth of retail segment coupled with economic growth of the Country is expected to influence the flexible packaging industry favorably. With the coming of new segment of liquid packing which includes flexible pouches, tetra packs, coated products etc, the company finds new business opportunities to grow. Your company is looking at the future with optimism and shall be expanding its business activities into new areas, in due course of time so that it can make use of available opportunities and emerge as fully integrated flexible packaging company. Around 50% of the world's production of BOPP is consumed in food packaging. In India, the consumption of BOPP in food packaging is only one third of its production. This gap is rapidly being bridged as the customers are increasingly



displaying a strong preference for hygienically packed foods products.

In addition to the above, the application of the BOPP Films in other Non-food packaging is also gaining strength which will further boost the demand for BOPP Films. Numerous grades of BOPP films are under development for various applications in different parts of the world which should give good volumes to the Industry. Thus, it is evident that BOPP films are going to be one of the high-growth segments in the global plastic films and sheet industry.

RISK AND CONCERNS

The major component of cost involved in the making of flexible packaging is raw material "Polypropylene". Any changes in the raw material prices and decrease in finished good product prices may affect the performance of the company. Though the Company has endeavored to monitor and mitigate these risks.

The company's main source of income will be from selling of BOPP film, a substrate in packaging material in plain and metalized form to further converters. Any adverse impact on the operations of the packaging converters may impact the company's revenues and its profitability. The increase in demand for newer options in packaging is also affecting the growth of BOPP films industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company's Internal Control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with procedures, laws and regulations. It commensurate with the size and nature of business. In order to further strengthen the Internal Control system and to automate the various processes of the business, company is making use of Enterprises Resource Planning (ERP).

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed an Internal Auditor who is a qualified Chartered Accountant. The details relating to Internal Financial Control system have been given in Director's Report and forms part of this Annual Report.

FINANCIAL/OPERATIONAL PERFORMANCE

(In Lacs)

| PARTICULARS | STANDALONE | | CONSOLIDATED | |
|--|---------------|------------------|---------------|------------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Profit Before Tax | 1292.27 | 715.71 | 1193.10 | 616.54 |
| Profit for the year | 910.72 | 509.52 | 1222.78* | 1147.37* |
| Add: Other comprehensive Income | (465.85) | (4430.87) | (1008.36) | (3926.08) |
| Total Comprehensive income for the year | 444.87 | (3921.35) | 214.42 | (2778.71) |

*Consolidated profit for the year includes Share of profit from Associates under equity method for the amount of Rs. 411.23 Lacs in Current Year and Rs. 737.02 lacs in the Previous Year.

The Company is operating in single segment i.e. BOPP Films. The company has showed impressive financial performance over the period of one year. There is an increase of 78.74% in net profits of the company for the year ended 31st March, 2019 as compared to the net profits

for the year ended 31st March, 2018. The detailed financial performance (Standalone as well as Consolidated) have been given in the Director's report and forms part of this Annual Report

HUMAN RESOURCES/INDUSTRIAL RELATIONS

Your company considers people as its biggest asset. The human resources development function of the Company is guided by a strong set of values and policies. Your Company maintains a work environment that is free from any harassment. Company enjoys excellent relationship with its personnel and considers them as an essential part of the organization. Your company maintained healthy, cordial and harmonious industrial relations at all levels. In Financial Year 2018-19, industrial relations across the Company were cordial with no labor unrests or strikes during the year. The total permanent employee's strength of the company was 181 as on 31st March, 2019.

RATIOS WHERE THERE HAS BEEN A SIGNIFICANT CHANGE FROM FY2018 TO FY2019

| Ratio | 31.03.2019 | 31.03.2018 |
|-------------------------|------------|------------|
| Gross Profit Ratio | 11.02 | 8.70 |
| Net Profit Ratio | 4.86 | 2.85 |
| Interest Coverage Ratio | 17.22 | 9.21 |
| Current Ratio | 4.30 | 2.06 |
| Debt Equity Ratio | 0.00 | 0.04 |
| Return on Net Worth | 6.61 | 3.71 |

The Gross Profit ratio, Net Profit ratio and Return on Net Worth have been increased. The price of commodity in which the company is dealing is based on international crude prices. Since, the price of crude is volatile. It is normal for the company to have a variance in Gross profit or net profit margin as sometimes the effect of increase / reduction of prices of inputs are not fully transferred to the customers due to prevailing market conditions. The company has repaid its loans during the financial year 2018-19, Therefore, Debt Equity Ratio of the company has variance. Company has earned profits which are mainly used for reduction of short term liabilities & increase in current assets, which leads to an improvement in current ratio. The company repaid its term loans during the financial year 2018-19 leading to reduction of the amount of interest paid during the year leading to improving in the interest coverage ratio.

CAUTIONARY STATEMENT

Statements in this report on Management discussion and analysis relating to the Company's objectives, opportunities, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results may however differ materially from those expressed or implied.

FOR AND ON BEHALF OF THE BOARD

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

**PLACE : LUDHIANA
DATED: 13TH AUGUST, 2019**



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

M/s. NAHAR POLY FILMS LIMITED

LUDHIANA

Opinion

We have audited the accompanying **standalone** financial statements of Nahar Poly Films Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 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 independence requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no key audit matters to be communicated in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report, but does not include the standalone financial statements and our auditors' report thereon. The Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements,

our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and 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 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 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 controls 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 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 standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Place : Ludhiana
Dated : 30.05.2019**

**CA Neha Kansal
(Partner)
M.No.540386**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NAHAR POLY FILMS LIMITED 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 POLY FILMS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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.

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 explanations 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place : Ludhiana
Dated : 30.05.2019**

**(CA Neha Kansal
(Partner)
M.No.540386**

**Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NAHAR POLY FILMS LIMITED of even date)

- i. In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on the physical verification.
- iii. The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 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:
- 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.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax and GST which have not been deposited as at March 31, 2019 on account of dispute.
- viii. The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Place : Ludhiana
Dated : 30.05.2019**

**CA Neha Kansal
(Partner)
M.No.540386**



BALANCE SHEET AS AT 31st MARCH, 2019

All Figures ₹ in Lakhs unless stated otherwise

| Particulars | Note No. | As at 31 March, 2019 | As at 31 March, 2018 |
|-------------------------------------|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1 | 3,064.36 | 3,196.08 |
| Financial assets | | | |
| Investments | 2.1 | 12,498.16 | 12,333.19 |
| Loans | 2.2 | 198.58 | 211.12 |
| Deferred tax assets (net) | 3 | 271.21 | 412.38 |
| | | 16,032.31 | 16,152.77 |
| Current assets | | | |
| Inventories | 4 | 1,710.26 | 1,552.04 |
| Financial assets | | | |
| Trade receivables | 5.1 | 2,123.43 | 3,320.30 |
| Cash and Cash equivalents | 5.2 | 100.37 | 42.28 |
| Other bank balances | 5.3 | 24.09 | 22.46 |
| Loans | 5.4 | 3.99 | 3.13 |
| Other financial asset | 5.5 | 225.64 | 678.68 |
| Current tax assets (net) | 6 | 102.26 | 64.76 |
| Other current assets | 7 | 279.39 | 407.27 |
| | | 4,569.43 | 6,090.92 |
| Total Assets | | 20,601.74 | 22,243.69 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share capital | 8 | 1,257.77 | 1,257.77 |
| Other equity | 9 | 18,280.63 | 18,022.09 |
| | | 19,538.40 | 19,279.86 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Deferred tax liabilities (net) | | - | - |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 10.1 | 0.72 | 1,352.27 |
| Trade and other payables | 10.2 | 652.82 | 538.05 |
| Other financial liabilities | 10.3 | 102.72 | 957.05 |
| Other current liabilities | 11 | 297.55 | 111.26 |
| Provisions | 12 | 9.53 | 5.20 |
| Current tax liabilities (Net) | | - | - |
| | | 1,063.34 | 2,963.83 |
| Total Equity and liabilities | | 20,601.74 | 22,243.69 |

The accompanying notes are an integral part of these standalone financial statements

This is the Balance Sheet referred to in our report of even date

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per Neha Kansal
Partner
M.No.540386
Place : Ludhiana
Date : 30.05.2019

Rakesh Jain
(Chief Financial Officer)

Bhoomika
(Company Secretary)

Dinesh Oswal
Director
(DIN - 00607290)

S. K Sharma
(Executive Director)
(DIN :00402712)



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

(₹ in Lakhs)

| Particulars | Note No. | Current Year ₹ | Previous Year ₹ |
|--|----------|-------------------|--------------------|
| INCOME | | | |
| Revenue from operations | 13 | 26,572.77 | 25,966.70 |
| Other Income | 14 | 237.54 | 365.92 |
| Total Income | | 26,810.31 | 26,332.62 |
| EXPENSES | | | |
| Cost of materials consumed | 15 | 20,915.72 | 19,183.78 |
| Purchase Stock in trade | | 11.96 | - |
| Change in inventories of finished goods, stock in trade and work -in-progress | 16 | 14.02 | (244.00) |
| Excise Duty Expense | | - | 770.10 |
| Employee benefit expense | 17 | 759.23 | 731.65 |
| Finance costs | 18 | 93.00 | 261.97 |
| Depreciation and amortisation expense | 1 | 216.51 | 1,435.39 |
| Other expenses | 19 | 3,507.60 | 3,478.02 |
| Total Expenses | | 25,518.04 | 25,616.91 |
| Profit/(loss) before Tax Expenses | | 1,292.27 | 715.71 |
| Tax expense: | 20 | | |
| - Current tax | | (240.55) | (473.34) |
| - Deferred tax | | (141.00) | 267.15 |
| Profit for the year | | 910.72 | 509.52 |
| Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss | | | |
| -Re-measurement gains/(losses) on defined benefit plans | | (3.22) | 16.77 |
| -Income Tax relating to re-measurement gains/(losses) on defined benefit plans | | 1.07 | - |
| -Equity investments through other comprehensive income | | (464.95) | (4,445.13) |
| -Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Items that will be reclassified to profit or loss | | | |
| Equity investments through other comprehensive income | | 1.42 | (2.81) |
| -Income tax relating to items that will be reclassified to profit or loss | | (0.17) | 0.30 |
| Other Comprehensive Income for the year | | (465.85) | (4,430.87) |
| Total Comprehensive Income for the year | | 444.87 | (3,921.35) |
| Earnings per equity share of ₹ 5 each | | | |
| Basic and Diluted | | 3.70 | 2.07 |

The accompanying notes are an integral part of these standalone financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per **Neha Kansal**
Partner
M.No.540386
Place : Ludhiana
Date : 30.05.2019

Rakesh Jain
(Chief Financial Officer)

Bhoomika
(Company Secretary)

Dinesh Oswal
(Director)
(DIN- 00607290)

S.K Sharma
(Executive Director)
(DIN :00402712)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

| Particulars | (₹ in Lakhs) | |
|---|-------------------|-------------------|
| | Current Year | Previous Year |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit/(loss) before Tax Expenses | 1,292.27 | 715.71 |
| Add: Adjustment for Non-Cash & Non-operating items | | |
| Depreciation and amortisation expense | 216.51 | 1,435.39 |
| Finance Costs (Including dividend on preference shares) | 93.00 | 261.97 |
| Interest Income | (24.99) | (41.99) |
| Dividend Income | (133.69) | (229.80) |
| (Profit)/loss on sale of investments (net) | (9.53) | (25.05) |
| Fair valuation of Investments through Profit and gains | (28.50) | - |
| Employment expenses through OCI | (3.22) | - |
| (Profit)/loss on sale of fixed assets (net) | - | - |
| Payment of CSR Fund | (38.12) | - |
| Provision for Employee Benefits | 4.33 | 5.20 |
| Operating profit before working capital changes (A) | 1,368.06 | 2,121.43 |
| Adjustments for movement in: | | |
| Changes in Trade Receivables and other receivables | 1,196.87 | (69.36) |
| Changes in Inventories | (158.22) | (75.57) |
| Changes in Loans (long term) | 12.54 | (22.38) |
| Changes in Loans (Short term) | (0.86) | (0.35) |
| Changes in other current assets | 127.88 | (100.37) |
| Changes in other financial assets | 453.04 | (10.96) |
| Changes in Trade and other payables | 114.77 | (53.90) |
| Changes in other financial liabilities | 4.50 | 32.56 |
| Changes in other current liabilities | 186.29 | (108.14) |
| Changes in Current borrowings | (1,351.55) | 994.01 |
| Cash flow from operating activities before taxes | 585.26 | 585.54 |
| Direct taxes paid (net of refunds & demands) | (276.99) | (490.65) |
| Net cash flow from operating activities (B) | 308.27 | 94.89 |
| Cash flow from investing activities: | | |
| Purchase of fixed assets (including capital advances and creditors for capital goods) | (84.78) | (95.90) |
| Proceeds from sale of fixed assets | - | - |
| Purchase of Investments | (1,825.00) | (450.00) |
| Proceeds from sale of Investments | 1,234.53 | 225.05 |
| Interest Income | 24.99 | 41.99 |
| Dividend Income | 133.69 | 229.80 |
| Net cash flow (used) in investing activities (C) | (516.57) | (49.06) |
| Cash flow from financing activities: | | |
| Proceeds from issue of redeemable non-cumulative preference shares | | |
| Interest paid | (93.00) | (261.97) |
| Repayment of long term borrowings | (858.83) | (1,740.88) |
| Proceeds from long term borrowings | - | - |
| Dividend Paid | (122.94) | (122.94) |
| Corporate Dividend Tax Paid | (25.27) | (25.03) |
| Net cash flow (used) in financing activities (D) | (1,100.04) | (2,150.82) |
| Net Increase/(decrease) in cash and cash equivalents (A+B+C+D) | 59.72 | 16.44 |
| Cash and cash equivalents at the beginning of the year | 64.74 | 48.30 |
| Closing cash and cash equivalents | 124.46 | 64.74 |
| Cash and cash equivalents include: | | |
| Cash and Cash equivalents | 100.37 | 42.28 |
| Other bank balances | 24.09 | 22.46 |
| Cash and bank balances | 124.46 | 64.74 |

- Notes to Cash flow Statement**
- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash flows".
 - Negative figures have been shown in brackets.
 - "Additions to property, plant, equipment and intangible assets include movements of capital work-in-progress and intangible assets under development respectively during the year."

The accompanying notes are an integral part of these standalone financial statements

This is the cash flow statement referred to in our report of even date

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per **Neha Kansal**
Partner
M.No.540386
Place : Ludhiana
Date : 30.05.2019

Rakesh Jain
(Chief Financial Officer)

Bhoomika
(Company Secretary)

Dinesh Oswal
(Director)
DIN - 00607290

S.K Sharma
(Executive Director)
(DIN :00402712)



Notes forming part of Standalone financial statements for the year ended 31st March 2019

Note:- 1 Property, plant and equipments

| Particulars | Freehold land | Building | Plant and machinery | Vehicle | Office equipment | Furniture and fixtures | Total |
|------------------------------------|---------------|-----------------|---------------------|---------------|------------------|------------------------|------------------|
| Gross Carrying Value | | | | | | | |
| Balance as at 31 March 2018 | 176.53 | 2,459.42 | 13,951.36 | 39.91 | 60.74 | 14.59 | 16,702.55 |
| Additions | - | - | 8.00 | 74.73 | 2.05 | - | 84.78 |
| Disposals | - | - | - | - | - | - | - |
| Balance as at 31 March 2019 | 176.53 | 2,459.42 | 13,959.36 | 114.64 | 62.79 | 14.59 | 16,787.33 |
| Accumulated Depreciation | | | | | | | |
| Balance as at 31 March 2018 | - | 711.68 | 12,724.90 | 16.77 | 42.72 | 10.40 | 13,506.47 |
| Additions | - | 71.68 | 129.33 | 11.23 | 3.09 | 1.16 | 216.50 |
| Disposals | - | - | - | - | - | - | - |
| Balance as at 31 March 2019 | - | 783.36 | 12,854.23 | 28.00 | 45.81 | 11.56 | 13,722.97 |
| CWIP as at 31 March 2019 | - | - | - | - | - | - | - |
| CWIP as at 31 March 2018 | - | - | - | - | - | - | - |
| Net carrying amount | | | | | | | |
| Balance as at 31 March 2019 | 176.53 | 1,676.06 | 1,105.13 | 86.64 | 16.98 | 3.03 | 3,064.36 |
| Balance as at 31 March 2018 | 176.53 | 1,747.74 | 1,226.46 | 23.14 | 18.02 | 4.19 | 3,196.08 |

Note :

a) Finance leases

Company does not have any finance / operating lease.

(b) Contractual obligations

There are no contractual commitments for the acquisition of property, plant and equipment.

Note:-2.1 Non-current Investments

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|-----------------|---------------------|-----------------|
| | No. of units | Amount | No. of units | Amount |
| Investments in Associates | | | | |
| Quoted | | | | |
| Nahar Capital & Financial Services Limited (Equity Shares of ₹5 each fully paid-up) | 6,611,632 | 3,673.16 | 6,611,632 | 3,673.16 |
| Sub total (a) | 6,611,632 | 3,673.16 | 6,611,632 | 3,673.16 |
| Investments in Equity Instruments | | | | |
| At fair value through other comprehensive income | | | | |
| Quoted | | | | |
| Nahar Industrial Enterprises Limited | 2,708,800 | 1,152.59 | 2,708,800 | 1,955.75 |
| Nahar Spinning Mills Limited | 6,902,244 | 6,339.71 | 6,902,244 | 6,001.50 |
| Sub total (b) | 9,611,044 | 7,492.30 | 9,611,044 | 7,957.25 |
| Investments in Debentures & Bonds | | | | |
| At fair value through other comprehensive income | | | | |
| to be reclassify at the time of sale | | | | |
| Quoted | | | | |
| IRFC Tax Free Bond | 11,757 | 131.11 | 11,757 | 129.84 |
| NABARD Tax Free Bonds | 10,020 | 108.32 | 10,020 | 108.17 |
| Sub total (c) | 21,777 | 239.43 | 21,777 | 238.01 |

**Investments in Mutual Funds****At fair value through profit and loss****Quoted**

| | | | | |
|--|------------------|-----------------|------------------|---------------|
| Reliance Banking & PSU Debt Fund | 2,035,996 | 276.88 | 2,035,996 | 256.73 |
| Birla Sun life Balanced Advantage Fund- Growth | | | | |
| Direct Adviser (Growth) | - | - | 196,696 | 102.11 |
| SBI Liquid Fund-Direct Growth | 8,549 | 250.35 | | |
| IDFC Bond Fund Short Term Plan | 380,915 | 150.63 | | |
| Kotak Bond Short Term Plan | 550,229 | 200.69 | | |
| L & T Short Term Bond Fund | 547,031 | 100.45 | | |
| ICICI Prudential Balanced Advantage Fund | | | | |
| DP Growth | 301,023 | 114.27 | 301,023 | 105.93 |
| Sub total (d) | 3,823,743 | 1,093.27 | 2,533,715 | 464.77 |

| | | | | |
|---|--|------------------|--|------------------|
| Grand Total (a+b+c+d) | | 12,498.16 | | 12,333.19 |
| Aggregate amount of quoted investments | | 12,498.16 | | 12,333.19 |
| Aggregate amount of impairment in value of investments | | - | | - |

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|---------------------------------|---------------------------------|
| Note:-2.2 Loans (Non-Current) | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Security deposits (Unsecured, considered good) | 198.58 | 211.12 |
| | 198.58 | 211.12 |
| Note:-3 Deferred Tax Liability (Net) | | |
| On account of Depreciation differences, Change in rate of tax & Ind As Adjustments | 257.39 | 399.14 |
| On Account of allowance u/s 43B | 13.82 | 13.24 |
| | 271.21 | 412.38 |
| Note:-4 Inventories | | |
| (Valued at Cost or Net Realisable Value Whichever is Lower) | | |
| Raw Materials | 531.62 | 422.43 |
| Work in Process | 829.39 | 845.00 |
| Finished Goods | 10.77 | 11.99 |
| Waste & Rejections | 6.17 | 3.36 |
| Stores & Spares | 332.31 | 269.26 |
| | 1,710.26 | 1,552.04 |
| Note:- 5.1 Trade receivables | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Considered good | 2088.46 | 3303.87 |
| Considered Doubtful | 34.97 | 16.43 |
| | 2,123.43 | 3,320.30 |
| Note:-5.2 Cash and bank balances | | |
| Balance with banks | 99.15 | 38.96 |
| Cash in hand including stamps | 1.22 | 3.32 |
| | 100.37 | 42.28 |
| Note:-5.3 Other bank balances | | |
| Unpaid Dividend Account | 21.62 | 20.14 |
| Deposits with original maturity more than three months but less than twelve months | 2.47 | 2.32 |
| | 24.09 | 22.46 |

Notes:

- (i) Cash and cash equivalents include ₹ 21.62 lakhs (as at 31 March 2018 ₹ 20.14 lakhs) held in dividend accounts which is not available for use by the company.
- (ii) Deposits with maturity more than three months but less than twelve months are given as security given to Sales Tax Department are now available for withdrawal after the introduction of GST.



| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-------------------------|-------------------------|
| Note:- 5.4 Loans (Current) (Unsecured considered good, unless otherwise stated) | | |
| Loan to Employees | 3.99 | 3.13 |
| | 3.99 | 3.13 |
| Note:- 5.5 Other financial assets | | |
| Interest accrued but not due on fixed deposits | 0.27 | 4.14 |
| Sale tax incentive receivable | 225.37 | 674.54 |
| | 225.64 | 678.68 |
| Note:- 6. Other Current assets | | |
| Advance income tax (Net of Provisions) | 100.17 | 63.23 |
| TDS recoverable | 2.09 | 1.53 |
| | 102.26 | 64.76 |
| Note:- 7. Other Current assets | | |
| Advances to suppliers | 144.58 | 244.73 |
| Prepaid expenses | 35.31 | 30.68 |
| Balances with statutory and government authorities | 0.32 | 16.88 |
| License in hands | 11.58 | 18.11 |
| Others recoverable | 87.60 | 96.87 |
| | 279.39 | 407.27 |
| Note:-8 Equity Share Capital | | |
| Authorised capital | | |
| 900 Lakh Equity Shares of ₹ 5- each (Previous Year Same) | 4,500.00 | 4,500.00 |
| Issued, subscribed and Fully paid up. | | |
| 24,587,991 Equity Shares of ₹ 5- each (Previous Year Same) | 1,229.40 | 1,229.40 |
| Add:- Amount paid up on forfeited Shares | 28.37 | 28.37 |
| Total | 1,257.77 | 1,257.77 |

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

| | 31 March 2019 | | 31 March 2018 | |
|--|-------------------|-----------------|-------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity shares at the beginning of the year | 24,587,991 | 1229.40 | 24,587,991 | 1229.40 |
| Issued during the year | - | - | - | - |
| Equity shares at the end of the year | 24,587,991 | 1,229.40 | 24,587,991 | 1,229.40 |

b) Rights, Preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs.5 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shareholders holding more than 5% shares in the Company

| | As on 31 March 2019 | | As on 31 March 2018 | |
|--|---------------------|-----------|---------------------|-----------|
| | No of shares | % holding | No of shares | % holding |
| Nahar Capital & Financial Services Limited | 12,087,671 | 49.16% | 12,087,671 | 49.16% |
| Nahar Industrial Enterprises Limited | - | 0.00% | 1,264,720 | 5.14% |
| Nahar Spinning Mills Limited | 1,253,603 | 5.10% | 1,253,603 | 5.10% |

d) Shares Forfeited

3,49,336 Shares are forfeited in financial year 2006-07 upon non payment of calls.

Note:- 9 Other Equity

(a) Securities premium account

| | | |
|---|-----------------|-----------------|
| Opening Balance as per last Balance Sheet | 4,478.00 | 4,478.00 |
| Add : Additions during the year | - | - |
| Balance as at the year end | 4,478.00 | 4,478.00 |



| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-------------------------|-------------------------|
| (b) Corporate Social Responsibility Reserve | | |
| Opening Balance as per last Balance Sheet | 38.13 | 16.64 |
| Add : Additions during the year | - | 21.49 |
| Less: Used during the year | (38.13) | - |
| Balance as at the year end | - | 38.13 |
| (c) General Reserve | | |
| Opening Balance as per last Balance Sheet | 10,160.18 | 10,160.18 |
| Add : Additions during the year | - | - |
| Balance as at the year end | 10,160.18 | 10,160.18 |
| (d) Retained Earnings | | |
| Opening Balance as per last Balance Sheet | 3,345.78 | 7,436.59 |
| Profit for the year | 811.55 | 509.52 |
| Other Comprehensive Income for the year (net of tax) | (465.85) | (4,430.87) |
| Dividends | (122.94) | (122.94) |
| Dividend distribution tax | (25.27) | (25.03) |
| Transfer to Corporate social responsibility reserve | - | (21.49) |
| Balance as at the year end | 3,543.27 | 3,345.78 |
| Total Other Equity (a+b+c+d) | 18,181.46 | 18,022.09 |

Nature and purpose of reserves**Securities premium account**

Securities premium account comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

Retained Earnings

Retained earnings refer to net earnings not paid out as dividends, but retained by the company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.

Note:- 10.1 Current borrowings

Secured

| | | |
|--|------|----------|
| Working Capital Loans repayable on demand from Banks | 0.72 | 1,352.27 |
|--|------|----------|

Others Unsecured

| | |
|---|---|
| - | - |
|---|---|

| | |
|-------------|-----------------|
| 0.72 | 1,352.27 |
|-------------|-----------------|

Working capital facilities under consortium arrangement are secured by way of first pari passu charge on Current Assets, second pari passu charge on fixed assets including equitable mortgage of factory land and building of the company and is personally guaranteed by a director of the company.

Note:- 10.2 Trade payables

Due to micro, small and medium enterprises (refer note 26)

| | |
|---|---|
| - | - |
|---|---|

Due to others

| | |
|--------|--------|
| 652.82 | 538.05 |
|--------|--------|

| | |
|---------------|---------------|
| 652.82 | 538.05 |
|---------------|---------------|

Note:- 10.3 Other financial liabilities

Current maturities of long term debts

| | |
|---|--------|
| - | 858.83 |
|---|--------|

Employee related payables

| | |
|-------|-------|
| 81.10 | 76.52 |
|-------|-------|

Unpaid Dividend (refer note (a) below)

| | |
|-------|-------|
| 21.62 | 20.14 |
|-------|-------|

Retention Money

| | |
|---|------|
| - | 1.56 |
|---|------|

| | |
|---------------|---------------|
| 102.72 | 957.05 |
|---------------|---------------|

Note:-

There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.



| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-------------------------|-------------------------|
| Note:- 11 Other current liabilities | | |
| Advances from customers | 204.58 | 73.47 |
| Security deposits | 2.46 | 2.46 |
| Dues to director | 0.75 | 0.92 |
| Statutory Dues | 89.76 | 34.41 |
| | 297.55 | 111.26 |
| Note:- 12. Provisions | | |
| Provision for gratuity (refer note 24) | 9.53 | 5.20 |
| | 9.53 | 5.20 |
| Movement in provisions: Provision for gratuity | | |
| Opening Balance | 5.20 | - |
| Add : Provision recognised during the year | 9.53 | 5.20 |
| Less : Provision utilised during the year | 5.20 | - |
| Closing Balance | 9.53 | 5.20 |
| Particulars | Current year | Previous year |
| Note:- 13 Revenue from operations | | |
| Sale of products* | | |
| Export | 303.81 | 215.78 |
| Domestic | 26,185.30 | 25,548.34 |
| | 26,489.11 | 25,764.12 |
| Other operating revenue | | |
| Sale- scrap | 72.04 | 81.13 |
| Export incentives | 9.39 | 11.25 |
| Claims received from Insurance companies | 2.23 | 5.58 |
| Sale tax incentive | - | 104.62 |
| | 26,572.77 | 25,966.70 |
| *Details of product Sold | | |
| Export Sales | | |
| Direct Export of BOPP Film | 303.81 | 215.78 |
| Domestic Sales | | |
| BOPP Film | 26,102.19 | 25,473.98 |
| BOPP Other (Incl.Waste) | 83.11 | 74.36 |
| Other (Misc. Scrap) | 72.04 | 81.13 |
| | 26,561.15 | 25,845.25 |
| Note :- 14 Other Income | | |
| Interest income | 24.99 | 41.99 |
| Dividend Income | 133.69 | 229.80 |
| Profit on sale of investments (net) | 9.53 | 25.05 |
| Exchange fluctuation gain (net) | 1.43 | 0.47 |
| Fair valuation of investments through profit and loss | 28.50 | 14.77 |
| Miscellaneous income | 39.40 | 53.84 |
| | 237.54 | 365.92 |
| Note:- 15 Cost of materials consumed | | |
| Opening stock of raw materials | 422.43 | 635.35 |
| Add : Purchases of raw materials during the year | 21,024.91 | 18,970.86 |
| | 21,447.34 | 19,606.21 |
| Less : Closing stock of raw materials | 531.62 | 422.43 |
| | 20,915.72 | 19,183.78 |



| Particulars | Current Year | Previous Year |
|---|------------------|------------------|
| Details of raw material consumed | | |
| PP Resins and Additives (Indigenous) | 19,646.75 | 18,137.16 |
| PP Resins and Additives (Imported) | 1,268.97 | 1,046.62 |
| | 20,915.72 | 19,183.78 |
| Note:- 16 Changes in inventories of finished goods, work-in-process and traded goods | | |
| Opening stock | | |
| -Finished Goods / Stock in Trade | 15.35 | 74.15 |
| -Work-in-Progress | 845.00 | 542.20 |
| | 860.35 | 616.35 |
| Closing Stock | | |
| -Finished Goods / Stock in Trade | 16.94 | 15.35 |
| -Work-in-Progress | 829.39 | 845.00 |
| | 846.33 | 860.35 |
| | 14.02 | (244.00) |
| Note:- 17 Employee benefit expense | | |
| Salary, Wages and other Allowances | 641.85 | 608.24 |
| Contribution to Provident and other funds | 71.48 | 79.55 |
| Staff Welfare Expenses | 45.90 | 43.86 |
| | 759.23 | 731.65 |
| Note:- 18 Finance cost | | |
| Interest Expense | | |
| - On working capital loans | 52.55 | 69.89 |
| - On term loans | 28.01 | 185.44 |
| - Others | 9.86 | 0.07 |
| Other Borrowings Cost | 2.58 | 6.57 |
| | 93.00 | 261.97 |
| Note:- 19 Other expenses | | |
| Power & Fuel Consumed | 1,656.16 | 1,656.10 |
| Packing Expenses | 465.90 | 539.48 |
| Consumption of stores & spares | 3.27 | 3.54 |
| Rent | 2.19 | 2.07 |
| Repair and Maintenance | | |
| -Building Repair | 2.18 | 6.57 |
| -Plant & machinery | 289.14 | 250.59 |
| -General Repair | 16.40 | 13.73 |
| Insurance | 65.18 | 60.01 |
| Legal & Professional expenses | 20.51 | 22.13 |
| Rates & Taxes | 19.36 | 11.61 |
| Travelling and Conveyance | 19.49 | 25.41 |
| Brokerage and Commission | 52.05 | 40.46 |
| Freight & Forwarding | 786.93 | 726.34 |
| Other manufacturing expenses | 5.60 | 58.21 |
| Payments to auditors* | 2.16 | 2.08 |
| Communication Expenses | 8.60 | 8.67 |
| Corporate social responsibility expenses | 21.75 | 0.35 |
| Miscellaneous Expenses | 70.73 | 50.67 |
| | 3,507.60 | 3,478.02 |
| *Payment to Auditors | | |
| As Auditor: | | |
| -Audit Fee | 2.16 | 2.05 |
| -Certification charges | - | 0.01 |
| -Out of Pocket Expenses | - | 0.02 |
| | 2.16 | 2.08 |



| Particulars | Current Year | Previous Year |
|--|---------------|---------------|
| Note:- 20 Tax Expense | | |
| (1) Current Tax | | |
| Provision for Taxation for the year | 277.17 | 475.00 |
| Income Tax Adjustment of earlier years | (36.62) | (1.66) |
| (2) Deferred Tax | 141.00 | (267.15) |
| | 381.55 | 206.19 |

(A) Reconciliation of tax liability on book profit vis-à-vis actual tax liability

| | | |
|---|---------------|---------------|
| Accounting profit before income tax | 1,292.27 | 715.71 |
| Statutory income tax rate | 34.944% | 34.944% |
| Current tax expenses on profit before tax at the statutory income tax rate in India | 451.57 | 250.10 |
| Other permanent differences | (33.40) | (44.99) |
| Income taxed on different tax rate | - | 2.75 |
| Charge/(credit) in respect of earlier years | (36.62) | (1.66) |
| Unrecognised tax assets (net) | - | - |
| Income tax expense reported in the statement of profit and loss | 381.55 | 206.19 |

(B) The movement in deferred tax assets and liabilities during the year

| | Balance Sheet | | Statement of profit and loss | | Other Comprehensive Income | |
|--|---------------|---------------|------------------------------|-----------------|----------------------------|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Accelerated depreciation for tax purposes and other Ind AS adjustments | 257.39 | 399.14 | 141.57 | (266.12) | 0.17 | 0.30 |
| Expenditure incurred u/s 43B | 13.82 | 13.24 | (0.57) | (1.03) | - | - |
| | 271.21 | 412.38 | 141.00 | (267.15) | 0.17 | 0.30 |

Net Deferred tax assets/(liabilities)

Reflected in balance sheet as follows

| | | |
|--|---------------|---------------|
| Deferred tax assets | 271.21 | 412.38 |
| Deferred tax liabilities | - | - |
| Deferred tax assets/(liabilities) (net) | 271.21 | 412.38 |

Reconciliation of deferred tax assets/(liabilities), net

| | | |
|---|---------------|---------------|
| Opening Balance as at 1 April | 412.38 | 144.93 |
| Tax Income/(expense) during the year recognised in profit or loss | (141.00) | 267.15 |
| Tax Income/(expense) during the year recognised in Other comprehensive income | (0.17) | 0.30 |
| Closing Balance as at 31 March | 271.22 | 412.38 |

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

(C.) Tax Assets and Liabilities.

| | | |
|------------------------------|--------|-------|
| Income tax assets (net) | 102.26 | 64.76 |
| Income tax liabilities (net) | - | - |

**21.1 Statement of SIGNIFICANT ACCOUNTING POLICIES:****(i) Company Overview**

Nahar Poly Films Limited ('the company') is into the business of manufacturing and selling of BOPP films. The company is a public limited company incorporated and domiciled in India and has registered office in Ludhiana, Punjab, India and the manufacturing facility is located Near Mandideep, Bhopal, MP, India. The company has its listing of equity shares on BSE Limited and National Stock Exchange of India Limited.

The financial statements are approved for issue by the company's Board of Directors on 30-May-2019

(ii) SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Presentation:**i) Compliance with IndAS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The Financial statements of the company for the year ended 31 March 2019 have been approved by the Board of Directors at their meetings held on 30-May-2019

(ii) Accounting Convention

The accounts 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.

(iii) Rounding of amount

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

(iv) Current/Non-current classification

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

b) Foreign currency translation

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

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

c) Revenue recognition

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

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

Export Incentives- Export incentives are recognised on post export basis.

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

d) Government Grants:

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

Government grant relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets and presented within other income.

e) Income Tax:

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



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

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

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

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

(f) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(g) Cash and cash Equivalents:

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

h) Inventories

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

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

i) INVESTMENT AND OTHER FINANCIAL ASSETS

i) Classification

The company classifies its financial assets in the following measurement categories –

- Those to be measured subsequently at fair value (either through other comprehensive income or through Statement of profit and loss), and
- Those measured at amortised cost

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at the fair value through other comprehensive income

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss.

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss.

iii) Impairment of financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- iv) De-recognition of Financial Assets:**
Financial asset is derecognised only when
- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
- v) Income Recognition:**
Interest income – Interest income from debt instruments is recognised using the effective interest rate method.
Dividend income - Dividends are recognised in profit or loss only when the right to receive payment is established.
Rental Income - Rental income is accounted for on accrual basis.
Scrap (i.e. empties, wastage etc. Other than production) is accounted for on sale basis.
- j) Impairment of Non-Financial assets**
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash-generating units). Non-Financial assets suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.
- k) Non- Current Assets Held for Sale:**
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt.
Non-current assets are not depreciated or amortised while they are classified held for sale. Interest and other expenses attributable to the liabilities of disposal, company classified as held for sale, continue to be recognised.
- l) Derivatives that are not designated as hedges**
The company enters into certain derivatives/forward contracts to hedge foreign currency risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.
- m) Property, plant and equipment**
Property, Plant and equipment are stated at cost, less accumulated depreciation and impairment if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use.
Depreciation methods, estimated useful lives and residual value
The company depreciates its property, plant and equipment over the useful life in the manner prescribed in the Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the assets.
- n) Intangible assets**
Computer software
Computer software are stated at cost, less accumulated amortisation and impairment ,if any.
Amortisation methods and periods
The company amortises the computer software with a finite useful life over the period of 5 years.
- o) 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.
- p) Borrowings**
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method.
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- q) Borrowing costs**
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.
- r) Provisions and contingent liabilities**
Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.



Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

s) **Employee Benefits**

(i) **Short term obligations**

Liabilities for wages and salaries, including non-monetary benefits, if any, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) **Other long term employee benefit obligations**

The liabilities, if any, which needs to be settled after 12 months from the end of the period in which the employees render the related services are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

(iii) **Post-employment obligations**

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

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

(iv) **Defined contribution plans**

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

t) **Estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable.
- Designation of financial assets /liabilities through FVTPL.
- Estimation of defined benefit obligation.
- Recognition of deferred tax assets for carried forward tax losses.

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

21.2. **Significants accounting judgements, estimates & assumptions**

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

Judgements

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

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality



rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note:-24 .

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The Inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Note:- 22 Capital Commitments and Other Commitments | | |
| a) Capital Commitments | | |
| Estimated amount of contracts remaining to be executed not provided for (net of advances and deposits) | - | - |
| b) Other Commitments | | |
| - Bank Guarantee | - | - |
| - Letter of credits outstanding in favour of suppliers (net of advances) | 106.59 | 41.29 |
| - Estimated amount of contracts remaining to be executed not provided for (net of advances and deposits) | 2.25 | 6.61 |
| | 108.80 | 47.90 |

Note:- 23 Earnings per share (EPS) (Ind AS 33)

The Company's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company . Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

| Earnings Per Share has been computed as under: | Current Year | Previous Year |
|---|--------------|---------------|
| Profit for the year attributable to the Equity holders of the Company | 910.72 | 509.52 |
| Weighted-average number of equity shares for basic EPS | 245.88 | 245.88 |
| Earnings Per Share (Rs.) - Basic (Face value of Rs. 5 per share) | 3.70 | 2.07 |
| (Diluted earning per share is same as basic earning per share.) | | |

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Note:-24 Post Retirement Benefits Plans (Ind AS 19)

Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.



| Particulars | Current Year | Previous Year |
|--|--|--|
| (i) Changes in Defined Benefit Obligation | | |
| Present value obligation as at the start of the year | 114.72 | 102.50 |
| Current service cost | 15.03 | 13.47 |
| Interest cost | 8.50 | 8.13 |
| Past Service Cost Plan Amendment | - | 10.58 |
| Actuarial loss/(Gains) - Experience Changes | 3.09 | (22.25) |
| Actuarial loss / (Gains) Financial Assumption | - | 4.03 |
| Benefits paid | (8.67) | (1.74) |
| Present value obligation as at the end of the year | 132.67 | 114.72 |
| (ii) Change in fair value of plan assets | | |
| Fair value of plan assets as at the start of the year | 109.52 | 102.50 |
| Interest income on plan assets | 8.63 | 8.21 |
| Employer Contributions | 13.79 | 2.00 |
| Benefits paid | (8.67) | (1.74) |
| Return on plan assets greater/(lesser) than discount Rates | (0.13) | (1.45) |
| Fair value of plan assets as at the end of the year | 123.14 | 109.52 |
| (iii) Breakup of Actuarial gain/loss: | | |
| Actuarial (gain)/loss on arising from change in financial assumption | - | 4.03 |
| Actuarial (gain)/loss on arising from experience adjustment | 3.09 | (22.25) |
| Return on plan assets (greater)/less than discount rate | 0.13 | 1.45 |
| | 3.22 | (16.77) |
| (iv) Net Asset / (Liability) recognised in the Balance Sheet | | |
| Present value obligation as at the end of the year | (132.67) | (114.72) |
| Fair value of plan assets as at the end of the year | 123.14 | 109.52 |
| Net Asset / (Liability) in the Balance Sheet | (9.53) | (5.20) |
| (v) Amount recognized in the statement of profit and loss | | |
| Current service cost | 15.03 | 13.47 |
| Interest cost | 8.50 | 8.13 |
| Interest income on plan assets | (8.63) | (8.21) |
| (Income)/Expense recognised in the statement of profit and loss | 14.90 | 13.39 |
| (vi) Remeasurements recognised in the statement of Other | | |
| Comprehensive Income (OCI) | | |
| Changes in Financial Assumptions | - | 4.03 |
| Experience Adjustments | 3.09 | (22.25) |
| Return on plan assets (greater)/less than discount rate | 0.13 | 1.45 |
| Amount recognised in Other Comprehensive Income | (3.22) | 16.77 |
| (vii) Actuarial assumptions | | |
| Discount Rate (p.a) | 7.70% | 7.70% |
| Salary Escalation Rate (p.a) | 7.00% | 7.00% |
| Employee Turnover rate | 1% to 3% | 1% to 3% |
| Mortality Rate | "Indian Assured Lives Mortality (2006-08) (modified) Ult" | "Indian Assured Lives Mortality (2006-08) (modified) Ult" |

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.



| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| (viii) Sensitivity analysis for gratuity liability | | |
| The sensitivity of the overall plan obligations to changes in the weighted key assumptions are: | | |
| Present value of obligation at the end of the year | | |
| Impact of the change in Discount rate (p.a) | | |
| Impact due to decrease of 0.50% | 8.37 | 7.59 |
| Impact due to increase of 0.50% | (7.57) | (6.84) |
| Impact of change in Salary Escalation rate (p.a) | | |
| Impact due to increase of 0.50% | 8.18 | 7.34 |
| Impact due to decrease of 0.50% | (7.44) | (6.66) |
| (ix) Expected future cash flows | | |
| The expected future cash flows in respect of gratuity were as follows: | | |
| Weighted average duration of defined plan obligation (based on discounted cash flows) | | |
| Gratuity | 14 years | 14 years |
| The followings are the expected future benefit payments for the defined benefit plan : | | |
| March 31, 2019 | - | 2.73 |
| March 31, 2020 | 6.93 | 6.98 |
| March 31, 2021 | 3.49 | 3.62 |
| March 31, 2022 | 4.61 | 4.78 |
| March 31, 2023 | 22.82 | 22.66 |
| March 31, 2024 | 12.38 | - |
| March 31, 2024 to March 31, 2028 | - | 75.95 |
| March 31, 2025 to March 31, 2029 | 79.90 | - |

Note-25 Corporate Social Responsibility

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company required to spend a sum of ₹ 21.75 lakhs (as at 31st March, 2018 ₹ 21.84 lakhs) towards CSR activities. The details of amount actually spent by the Company are:

| | | |
|---|--------------|--------------|
| (a) Gross amount required to be spent by the company as per section 135 of the Act. | 21.75 | 21.84 |
| (b) Amount spent during the year on: | | |
| - paid in cash/ cash equivalents * | 21.75 | 0.35 |
| - paid in next year | - | 21.49 |
| - yet to be paid | - | - |
| | 21.75 | 21.84 |

The company and other group companies have joined hands to undertake the future CSR activities under one umbrella organisation i.e. Oswal Foundation. Oswal Foundation, a special purpose vehicle has been considering new projects in the field of healthcare which are likely to be finalised soon. Whenever it will mature and approved by all the companies under umbrella, the amount of CSR liability will be contributed to Oswal foundation to implement the CSR Project during the year 2018-19.

Note:-26 Dues to micro and small suppliers

Under the section 22 of Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

| | | |
|---|---|---|
| Interest due thereon | - | - |
| Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year. | - | - |
| Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |



| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Interest accrued and remaining unpaid as at end of the year | - | - |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - |
| Note:-27 Government Grants | | |
| At the beginning of the year | 674.54 | 663.56 |
| Provided during the year | 0.00 | 104.37 |
| Received during the year | 449.17 | 93.39 |
| At the end of the year | 225.37 | 674.54 |
| Current | 225.37 | 674.54 |
| Non-Current | - | - |
| Government grants have been received from MP state as sales tax incentives. There are no unfulfilled conditions or contingencies attached to these grants. | | |

Note 28. Fair value measurement**(a) Financial instruments by category**

| Particulars | 31st March 2019 | | | 31st March 2018 | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| -Equity Instruments* | - | 7,492.30 | - | - | 7,957.25 | - |
| -Debentures and Bonds | - | 239.43 | - | - | 238.01 | - |
| -Mutual funds | 1,093.27 | - | - | 464.77 | - | - |
| Security Deposits | - | - | 198.58 | - | - | 211.12 |
| Trade receivables | - | - | 2,123.43 | - | - | 3,320.30 |
| Cash and cash equivalents | - | - | 100.37 | - | - | 42.28 |
| Other Bank Balances | - | - | 24.09 | - | - | 22.46 |
| Loan to employees | - | - | 3.99 | - | - | 3.13 |
| Other financial assets | - | - | 225.64 | - | - | 678.68 |
| Total | 1,093.27 | 7,731.73 | 2,676.10 | 464.77 | 8,195.26 | 4,277.97 |
| Financial Liabilities | | | | | | |
| Non-current Borrowings | - | - | - | - | - | - |
| Current Borrowings | - | - | 0.72 | - | - | 1,352.27 |
| Trade payable | - | - | 652.82 | - | - | 538.05 |
| "Other financial liabilities (Current)" | - | - | 102.72 | - | - | 957.05 |
| Total | - | - | 756.26 | - | - | 2,847.37 |

* Investment in subsidiaries, joint ventures and associates are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

(b) Fair value hierarchy

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



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

| Particulars | 31 March 2019 | | | 31 March 2018 | | |
|-------------------------------|-----------------|----------|----------|-----------------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Investments at FVTPL | | | | | | |
| -Mutual funds | 1,093.27 | - | - | 464.77 | - | - |
| -Equity Instruments | - | - | - | - | - | - |
| Investments at FVOCI | | | | | | |
| -Equity Instruments | 7,492.30 | - | - | 7,957.25 | - | - |
| Debentures and Bonds | 239.43 | - | - | 238.01 | - | - |
| Total financial assets | 8,825.00 | - | - | 8,660.03 | - | - |

Valuation process and technique used to determine fair value

- (i) The fair value of investments in government securities, debentures and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- (ii) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Financial assets and liabilities measured at amortised cost

| Particulars | 31 March 2019 | | | 31 March 2018 | | |
|---|---------------|----------|-----------------|---------------|----------|-----------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Security Deposits | - | - | 198.58 | - | - | 211.12 |
| Trade receivables | - | - | 2,123.43 | - | - | 3,320.30 |
| Cash and cash equivalents | - | - | 100.37 | - | - | 42.28 |
| Other Bank Balances | - | - | 24.09 | - | - | 22.46 |
| Loan to employees | - | - | 3.99 | - | - | 3.13 |
| Other financial assets | - | - | 225.64 | - | - | 678.68 |
| Total financial assets | - | - | 2,676.10 | - | - | 4,277.97 |
| Financial liabilities | | | | | | |
| Non-current Borrowings | - | - | - | - | - | - |
| Current Borrowings | - | - | 0.72 | - | - | 1,352.27 |
| Trade payable | - | - | 652.82 | - | - | 538.05 |
| "Other financial liabilities (Current)" | - | - | 102.72 | - | - | 957.05 |
| Total financial liabilities | - | - | 756.26 | - | - | 2,847.37 |

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 maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

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

| Particulars | 31 March 2019 | | 31 March 2018 | |
|------------------------------------|-----------------|---------------|-----------------|---------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial assets | | | | |
| Non-current assets | 198.58 | 198.58 | 211.12 | 211.12 |
| Total financial assets | 198.58 | 198.58 | 211.12 | 211.12 |
| Financial liabilities | | | | |
| Non-current liabilities | - | - | - | - |
| Total financial liabilities | - | - | - | - |

**d) Measurement of fair values**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) The management assessed that the fair values of cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- (ii) The fair value of non-current borrowings and security deposits that approximate to their carrying amounts as it is based on discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

Note:- 29. Financial risk management objectives and policies

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

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

(A) Market risk

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

a) Market risk- 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 carry its borrowings primarily at variable rate.

| | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------|------------------------|------------------------|
| Variable rate borrowings | 0.72 | 2,211.10 |
| Fixed rate borrowings | - | - |
| Total Borrowings | 0.72 | 2,211.10 |

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of 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:

| | | |
|---|---|---------|
| 50 bps decrease would Increase the profit before tax by | - | 11.06 |
| 50 bps increase would decrease the profit before tax by | - | (11.06) |

b) Market risk- Foreign currency risks

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, EURO and JPY. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

| | As at 31 March 2019 | | As at 31 March 2018 | |
|----------------------|---------------------|--------|---------------------|--------|
| | Foreign Currency | INR | Foreign Currency | INR |
| Trade receivables | | | | |
| -USD | 48301 | 33.46 | - | - |
| Trade payables | | | | |
| -USD | 94943 | 65.78 | 64698 | 42.58 |
| Total Exposure (net) | | | | |
| -USD | -46643 | -32.32 | -64698 | -42.58 |



| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

USD Sensitivity

| | | |
|---|-------|-------|
| 5% decrease would Increase the profit before tax by | -1.62 | -2.13 |
| 5% increase would decrease the profit before tax by | 1.62 | 2.13 |

c) Market risk- Price risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either at fair value through other comprehensive income or at fair value through profit and loss. To manage its price risk arising from investments in equity instruments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Price sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

- Impact on total comprehensive income

| | | |
|---|----------|----------|
| 500 bps in BSE Sensex 30 increase would Increase the profit before tax by | 374.62 | 397.86 |
| 500 bps in BSE Sensex 30 decrease would decrease the profit before tax by | (374.62) | (397.86) |

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(a) 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 financial reporting date
- (ii) Moderate credit risk
- (iii) High credit risk

The Company provides for expected credit loss based on the following:

| Asset group | Basis of categorisation | Provision for expected credit loss |
|----------------------|--|---|
| Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables, Investments and other financial assets | 12 month expected credit loss |
| Moderate credit risk | Trade receivables and other financial assets | Life time expected credit loss or 12 month expected credit loss |
| High credit risk | Trade receivables and other financial assets | Life time expected credit loss fully provided for" |

Financial assets that expose the entity to credit risk –

Low credit risk on reporting date

| | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------|---------------------|---------------------|
| Trade receivables | 2,123.43 | 3,320.30 |
| Cash and cash equivalents | 100.37 | 42.28 |
| Other bank balances | 24.09 | 22.46 |
| Loans(current) | 3.99 | 3.13 |
| Loans(non-current) | 198.58 | 211.12 |
| Other financial asset (current) | 225.64 | 678.68 |



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 amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

| Gross carrying amount of trade receivables | As at 31 March 2019 | As at 31 March 2018 |
|---|----------------------------|----------------------------|
| Not due nor impaired | 1940.91 | 3197.50 |
| 0-90 days past due | 142.70 | 1.29 |
| 90-180 days past due | 2.36 | 0.60 |
| 180-365 days past due | 2.49 | 104.48 |
| More than one year | 34.97 | 16.43 |
| Total | 2123.43 | 3320.30 |

Loans and Other financial assets measured at amortised cost

Loans and other financial assets measured at amortized cost includes 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

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

(a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Floating rate As at 31 March 2019 As at 31 March 2018

(i) Expiring within one year (Cash Credit and other facilities)

Secured

Working Capital Facilities 4199.28 2847.73

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

| Particulars | 0-1 Years | 1 to 2 years | 2 to 5 years | More than 5 years | Total |
|---|------------------|---------------------|---------------------|--------------------------|-----------------|
| Year ended 31 March 2019 | | | | | |
| Contractual maturities of borrowings | 183.42 | - | - | - | 183.42 |
| Contractual maturities of Trade payables and other payables | 652.82 | - | - | - | 652.82 |
| Contractual maturities of other financial liabilities | 102.72 | - | - | - | 102.72 |
| Total | 938.96 | - | - | - | 938.96 |
| Particulars | | | | | |
| Year ended 31 March 2018 | | | | | |
| Contractual maturities of borrowings | 2,412.48 | - | - | - | 2,412.48 |
| Contractual maturities of Trade payables and other payables | 538.05 | - | - | - | 538.05 |
| Contractual maturities of other financial liabilities | 98.22 | - | - | - | 98.22 |
| Total | 3,048.75 | - | - | - | 3,048.75 |

Note:- 30 Dividend distribution made

Dividend during the year (Rs. 0.50 per share)
Dividend distribution tax

| | Current Year | Previous Year |
|--|---------------------|----------------------|
| | 122.94 | 122.94 |
| | 25.27 | 25.03 |
| | 148.21 | 147.97 |

**Note:- 31 Reconciliation of changes in financial liabilities**

Reconciliation of Changes in liabilities arising from financing activities including both changes arising from cash flow and non cash changes as per the requirement of IND AS-7 'Statement of Cash Flows'

| Particulars | Current Year | | Previous Year | |
|--|--|-------------------------|--|-----------------------|
| | Borrowings (Non-current) (including current maturities) | Borrowings (Current) | Borrowings (Non-current) (including Current maturities) | Borrowings current |
| A. Borrowings from Banks | | | | |
| Balance at the beginning of the period | 858.83 | 1,352.27 | 2,599.71 | 358.26 |
| Add:/Less Changes during the period | | | | |
| (a) Changes from financing cash flows | (858.83) | (1,351.55) | (1,740.88) | 994.01 |
| (b) Changes arising from obtaining or losing control of subsidiaries or other business | | | | |
| (c) the effect of changes in foreign exchange rates | | | | |
| (d) changes in fair values | | | | |
| (e) other Changes | | | | |
| Balance at the end of the period | - | 0.72 | 858.83 | 1,352.27 |
| B. Deposits from body corporates | | | | |
| Balance at the beginning of the period | - | - | - | - |
| Add:/Less Changes during the period | | | | |
| (a) Changes from financing cash flows (Net) | - | - | - | - |
| (b) Changes arising from obtaining or losing control of subsidiaries or other business | - | - | - | - |
| (c) the effect of changes in foreign exchange rates | - | - | - | - |
| (d) changes in fair values | - | - | - | - |
| (e) other Changes | - | - | - | - |
| Balance at the end of the period | - | - | - | - |

Note:- 32 Capital Management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents and other bank balances

| | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------|---------------------|---------------------|
| Borrowings | 0.72 | 2,211.10 |
| Trade payables | 652.82 | 538.05 |
| Less: Cash and cash equivalents | (100.37) | (42.28) |
| Less: Other bank balances | (24.09) | (22.46) |
| Net debt | 529.08 | 2,684.41 |
| Equity | 19,538.40 | 19,279.86 |
| Capital and net debt | 20,067.48 | 21,964.27 |
| Gearing ratio | 2.64% | 12.22% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.



Note:- 33 Related party disclosure as per Ind AS 24

Disclosure of related parties and relationship between the parties

Nature of relationship

- (i) Associates
M/s Nahar Capital & Financial Services Limited
- (ii) Key Management Personnel
Mr. Dinesh Oswal (Director), Mr. S. K. Sharma (Executive Director)
Mr. Rakesh Jain (CFO), Ms. Bhoomika (Company Secretary).
- (iii) Relatives of Key Management Personnel
Mr. Jawahar Lal Oswal, Mr. Kamal oswal, Mrs. Abhilash Oswal, Mrs. Ruchika Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mrs. Monika Oswal, Mr. Sambhav Oswal, Mr. Rishab Oswal, Tanvi Oswal.
- (iv) Other Group companies over which key Management Personnel and their relatives are able to exercise significant Influence
Nahar Spinning Mills Ltd., Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Ltd., Vanaik Spinning Mills Ltd., Abhilash Growth Fund (P) Ltd., Atam Vallabh Financers Ltd., Bermuda Insurance Brokers Pvt. Ltd., Kovalam Investments & Trading Co. Ltd., Ludhiana Holdings Ltd., Monica Growth Fund (P) Ltd., Nagdevi Trading & Investment Co. Ltd., Nahar Growth Fund (P) Ltd., Neha Credit & Investment (P) Ltd., Ogden Trading & Investment Co. (P) Ltd., Ruchika Growth Fund (P) Ltd., Sankeshwar Holding Co. Ltd., Vanaik Investors Ltd., Vardhman Investments Ltd., J.L. Growth Fund Ltd., Jawahar Lal & Sons, Monte Carlo Fashions Ltd., Hug foods (P) Ltd., Simran & Shanaya Co. Ltd., Sidhant & Mannat Co. Ltd., Palm Motels Ltd., Suvrat Trading Co. Ltd., Amlah Industries Ltd., Closet Trunk (P) Ltd.

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

Detail of Related party Transactions

| Sr. No PARTICULARS | Associates | | Enterprises over which KMP is able to exercise significant influence | | Key Management personnels & their relatives | |
|---------------------------------------|--------------|---------------|--|---------------|---|---------------|
| | Current Year | Previous year | Current Year | Previous year | Current Year | Previous year |
| 1 Intercompany Deposits given | - | 500.00 | - | - | - | - |
| 2 Intercompany Deposits received back | - | 500.00 | - | - | - | - |
| 3 Intercompany Deposits received | 785.00 | - | - | - | - | - |
| 4 Intercompany Deposits repaid | 785.00 | - | - | - | - | - |
| 5 Interest Received | - | 0.63 | - | - | - | - |
| 6 Interest Paid | 7.13 | - | - | - | - | - |
| 7 Director's Sitting Fees | - | - | - | - | 1.20 | 1.10 |
| 8 Director's Remuneration | - | - | - | - | 26.19 | 23.54 |
| 9 Rent Paid | - | - | 2.19 | 2.07 | - | - |
| 10 License Purchased | - | - | 77.08 | 60.95 | - | - |
| 11 Reimbursements Received | - | - | 1.36 | 0.10 | - | - |
| 12 Reimbursements Paid | - | - | 0.80 | 0.34 | - | - |
| 13 Sales | - | - | 6.29 | - | - | - |
| 14 Purchase of Goods/Services | - | - | 7.97 | - | - | - |
| 15 Balance as on 31.03.2019 | | | | | | |
| - Crs./Payable | - | - | 5.32 | 0.10 | - | - |
| - Due to directors | - | - | - | - | 0.75 | 0.92 |

Note:-34 General

- Previous year figures has been regrouped/reclassified to confirm the current year classification.
- All Amounts ₹ in Lakhs, unless stated otherwise

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per Neha Kansal
Partner
M No.540386

Rakesh Jain
(Chief Financial Officer)

Bhoomika
(Company Secretary)

Dinesh Oswal
(Director)
DIN - 0607290

S.K Sharma
(Executive Director)
(DIN :00402712)

Place : Ludhiana
Date : 30.05.2019



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

M/s. NAHAR POLY FILMS LIMITED

Report on the **Consolidated** Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Nahar Poly Films Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the 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, 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 state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows 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 Responsibilities for the Audit of the Consolidated 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 independence 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no key audit matters to be communicated in our report.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report, but does not include the consolidated Ind AS financial statements and our auditors' report thereon. The Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we will 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 identified above when it becomes available 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. When we read the Board's Report including annexures to the Board's Report and Management Discussion & Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated 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 consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and 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 consolidated 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 consolidated 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.

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 controls 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 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 consolidated Ind AS 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 consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 consolidated Ind AS financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(CA Neha Kansal)
Partner
M.No.540386

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 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.

Report on Other Legal and Regulatory Requirements

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

Dated: 30-05-2019
Place : Ludhiana

**Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NAHAR POLY FILMS LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of Nahar Poly Films Ltd ("the Company") as of 31 March 2019 in conjunction with our audit of the consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its associate company 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**(CA Neha Kansal)
Partner
M.No.540386**

**Dated: 30-05-2019
Place : Ludhiana**



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

| Particulars | (₹ in Lakhs) | |
|---|-------------------|-------------------|
| | Current Year | Previous Year |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit/(loss) before Tax Expenses | 1,604.33 | 1,353.56 |
| Add: Adjustment for Non-Cash & Non-operating items | | |
| Depreciation and amortisation expense | 216.51 | 1,435.39 |
| (Income)/Loss from Associates | (312.06) | (637.85) |
| Finance Costs (Including dividend on preference shares) | 93.00 | 261.97 |
| Interest Income | (24.99) | (41.99) |
| Dividend Income | (34.52) | (130.63) |
| (Profit)/loss on sale of investments (net) | (9.53) | (25.05) |
| Fair valuation of Investments through Profit and gains | (28.50) | - |
| Employment expenses through OCI | (3.22) | - |
| (Profit)/loss on sale of fixed assets (net) | - | - |
| Payment of CSR Fund | (38.12) | - |
| Provision for Employee Benefits | 4.33 | 5.20 |
| Operating profit before working capital changes (A) | 1,467.23 | 2,220.60 |
| Adjustments for movement in: | | |
| Changes in Trade Receivables and other receivables | 1,196.87 | (69.36) |
| Changes in Inventories | (158.22) | (75.57) |
| Changes in Loans (long term) | 12.54 | (22.38) |
| Changes in Loans (Short term) | (0.86) | (0.35) |
| Changes in other current assets | 127.88 | (100.37) |
| Changes in other financial assets | 453.04 | (10.96) |
| Changes in Trade and other payables | 114.77 | (53.90) |
| Changes in other financial liabilities | 4.50 | 32.56 |
| Changes in other current liabilities | 186.29 | (108.14) |
| Changes in Current borrowings | (1,351.55) | 994.01 |
| Cash flow from operating activities before taxes | 585.26 | 585.54 |
| Direct taxes paid (net of refunds & demands) | (276.99) | (490.65) |
| Net cash flow from operating activities (B) | 308.27 | 94.89 |
| Cash flow from investing activities: | | |
| Purchase of fixed assets (including capital advances and creditors for capital goods) | (84.78) | (95.90) |
| Proceeds from sale of fixed assets | - | - |
| Purchase of Investments | (1,825.00) | (450.00) |
| Proceeds from sale of Investments | 1,234.53 | 225.05 |
| Interest Income | 24.99 | 41.99 |
| Dividend Income | 34.52 | 130.63 |
| Net cash flow (used) in investing activities (C) | (615.74) | (148.23) |
| Cash flow from financing activities: | | |
| Proceeds from issue of redeemable non-cumulative preference shares | | |
| Interest paid | (93.00) | (261.97) |
| Repayment of long term borrowings | (858.83) | (1,740.88) |
| Proceeds from long term borrowings | - | - |
| Dividend Paid | (122.94) | (122.94) |
| Corporate Dividend Tax Paid | (25.27) | (25.03) |
| Net cash flow (used) in financing activities (D) | (1,100.04) | (2,150.82) |
| Net Increase/(decrease) in cash and cash equivalents (A+B+C+D) | 59.72 | 16.44 |
| Cash and cash equivalents at the beginning of the year | 64.74 | 48.30 |
| Closing cash and cash equivalents | 124.46 | 64.74 |
| Cash and cash equivalents include: | | |
| Cash and Cash equivalents | 100.37 | 42.28 |
| Other bank balances | 24.09 | 22.46 |
| Cash and bank balances | 124.46 | 64.74 |

- Notes to Cash flow Statement**
- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash flows".
 - Negative figures have been shown in brackets.
 - "Additions to property, plant, equipment and intangible assets include movements of capital work-in-progress and intangible assets under development respectively during the year."

The accompanying notes are an integral part of these consolidated financial statements

This is the cash flow statement referred to in our report of even date

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per Neha Kansal
Partner
M.No.540386
Place : Ludhiana
Date : 30.05.2019

Rakesh Jain
(Chief Financial Officer)

Bhoomika
(Company Secretary)

Dinesh Oswal
(Director)
DIN - 00607290

S.K Sharma
(Executive Director)
(DIN :00402712)



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

All Figures ₹ in Lakhs unless stated otherwise

| Particulars | Note No. | As at 31 March, 2019 | As at 31 March, 2018 |
|-------------------------------------|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1 | 3,064.36 | 3,196.08 |
| Financial assets | | | |
| Investments | 2.1 | 38,683.15 | 38,748.63 |
| Loans | 2.2 | 198.58 | 211.12 |
| Deferred tax assets (net) | 3 | 271.21 | 412.38 |
| | | 42,217.30 | 42,568.21 |
| Current assets | | | |
| Inventories | 4 | 1,710.26 | 1,552.04 |
| Financial assets | | | |
| Trade receivables | 5.1 | 2,123.43 | 3,320.30 |
| Cash and Cash equivalents | 5.2 | 100.37 | 42.28 |
| Other bank balances | 5.3 | 24.09 | 22.46 |
| Loans | 5.4 | 3.99 | 3.13 |
| Other financial asset | 5.5 | 225.64 | 678.68 |
| Current tax assets (net) | 6 | 102.26 | 64.76 |
| Other current assets | 7 | 279.39 | 407.27 |
| | | 4,569.43 | 6,090.92 |
| Total Assets | | 46,786.73 | 48,659.13 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share capital | 8 | 1,257.77 | 1,257.77 |
| Other equity | 9 | 44,465.62 | 44,437.53 |
| | | 45,723.39 | 45,695.30 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | - | - |
| Deferred tax liabilities (net) | | - | - |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 10.1 | 0.72 | 1,352.27 |
| Trade and other payables | 10.2 | 652.82 | 538.05 |
| Other financial liabilities | 10.3 | 102.72 | 957.05 |
| Other current liabilities | 11 | 297.55 | 111.26 |
| Provisions | 12 | 9.53 | 5.20 |
| Current tax liabilities (Net) | | - | - |
| | | 1,063.34 | 2,963.83 |
| Total Equity and liabilities | | 46,786.73 | 48,659.13 |

The accompanying notes are an integral part of these consolidated financial statements

This is the Balance Sheet referred to in our report of even date

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per Neha Kansal
Partner
M.No.540386
Place : Ludhiana
Date : 30.05.2019Rakesh Jain
(Chief Financial Officer)Bhoomika
(Company Secretary)Dinesh Oswal
Director
(DIN - 00607290)S.K Sharma
(Executive Director)
(DIN :00402712)



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

| Particulars | Note No. | ₹ in Lakhs) | |
|--|----------|-------------------|--------------------|
| | | Current Year ₹ | Previous Year ₹ |
| INCOME | | | |
| Revenue from operations | 13 | 26,572.77 | 25,966.70 |
| Other Income | 14 | 138.37 | 266.75 |
| Total Income | | 26,711.14 | 26,233.45 |
| EXPENSES | | | |
| Cost of materials consumed | 15 | 20,915.72 | 19,183.78 |
| Purchase Stock in trade | | 11.96 | - |
| Change in inventories of finished goods, stock in trade and work -in-progress | 16 | 14.02 | (244.00) |
| Excise Duty Expense | | - | 770.10 |
| Employee benefit expense | 17 | 759.23 | 731.65 |
| Finance costs | 18 | 93.00 | 261.97 |
| Depreciation and amortisation expense | 1 | 216.51 | 1,435.39 |
| Other expenses | 19 | 3,507.60 | 3,478.02 |
| Total Expenses | | 25,518.04 | 25,616.91 |
| Profit/(loss) before Tax Expenses | | 1,193.10 | 616.54 |
| Tax expense: | 20 | | |
| - Current tax | | (240.55) | (473.34) |
| - Deferred tax | | (141.00) | 267.15 |
| Profit for the year | | 811.55 | 410.35 |
| Share of Profit (Loss) from Associates under equity method | | 411.23 | 737.02 |
| Profit for the year after share of profit from associates | | 1,222.78 | 1,147.37 |
| Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss | | | |
| -Re-measurement gains/(losses) on defined benefit plans | | (3.22) | 16.77 |
| -Income Tax relating to re-measurement gains/(losses) on defined benefit plans | | 1.07 | - |
| -Equity investments through other comprehensive income | | (464.95) | (4,445.13) |
| -Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Items that will be reclassified to profit or loss | | | |
| Equity investments through other comprehensive income | | 1.42 | (2.81) |
| -Income tax relating to items that will be reclassified to profit or loss | | (0.17) | 0.30 |
| Share of other comprehensive income from Associates under equity method | | (542.51) | 504.79 |
| Other Comprehensive Income for the year | | (1,008.36) | (3,926.08) |
| Total Comprehensive Income for the year | | 214.42 | (2,778.71) |
| Earnings per equity share of ₹ 5 each | | | |
| Basic and Diluted | | 4.97 | 4.67 |

The accompanying notes are an integral part of these consolidated financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per Neha Kansal
Partner
M.No.540386

Rakesh Jain
(Chief Financial Officer)

Bhoomika
(Company Secretary)

Dinesh Oswal
(Director)
(DIN- 00607290)

S.K Sharma
(Executive Director)
(DIN :00402712)

Place : Ludhiana
Date : 30.05.2019



Notes forming part of Consolidated financial statements for the year ended 31st March 2019

Note:- 1 Property, plant and equipments

| Particulars | Freehold land | Building | Plant and machinery | Vehicle | Office equipment | Furniture and fixtures | Total |
|------------------------------------|---------------|-----------------|---------------------|---------------|------------------|------------------------|------------------|
| Gross Carrying Value | | | | | | | |
| Balance as at 31 March 2018 | 176.53 | 2,459.42 | 13,951.36 | 39.91 | 60.74 | 14.59 | 16,702.55 |
| Additions | - | - | 8.00 | 74.73 | 2.05 | - | 84.78 |
| Disposals | - | - | - | - | - | - | - |
| Balance as at 31 March 2019 | 176.53 | 2,459.42 | 13,959.36 | 114.64 | 62.79 | 14.59 | 16,787.33 |
| Accumulated Depreciation | | | | | | | |
| Balance as at 31 March 2018 | - | 711.68 | 12,724.90 | 16.77 | 42.72 | 10.40 | 13,506.47 |
| Additions | - | 71.68 | 129.33 | 11.23 | 3.09 | 1.16 | 216.50 |
| Disposals | - | - | - | - | - | - | - |
| Balance as at 31 March 2019 | - | 783.36 | 12,854.23 | 28.00 | 45.81 | 11.56 | 13,722.97 |
| CWIP as at 31 March 2019 | - | - | - | - | - | - | - |
| CWIP as at 31 March 2018 | - | - | - | - | - | - | - |
| Net carrying amount | | | | | | | |
| Balance as at 31 March 2019 | 176.53 | 1,676.06 | 1,105.13 | 86.64 | 16.98 | 3.03 | 3,064.36 |
| Balance as at 31 March 2018 | 176.53 | 1,747.74 | 1,226.46 | 23.14 | 18.02 | 4.19 | 3,196.08 |

Note :

a) Finance leases

Company does not have any finance / operating lease.

(b) Contractual obligations

There are no contractual commitments for the acquisition of property, plant and equipment.

Note:-2.1 Non-current Investments

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|------------------|---------------------|------------------|
| | No. of units | Amount | No. of units | Amount |
| Investments in Associates | | | | |
| Quoted | | | | |
| Nahar Capital & Financial Services Limited (Equity Shares of ₹5 each fully paid-up) | 6,611,632 | 29,858.15 | 6,611,632 | 30,088.60 |
| Sub total (a) | 6,611,632 | 29,858.15 | 6,611,632 | 30,088.60 |
| Investments in Equity Instruments At fair value through other comprehensive income | | | | |
| Quoted | | | | |
| Nahar Industrial Enterprises Limited | 2,708,800 | 1,152.59 | 2,708,800 | 1,955.75 |
| Nahar Spinning Mills Limited | 6,902,244 | 6,339.71 | 6,902,244 | 6,001.50 |
| Sub total (b) | 9,611,044 | 7,492.30 | 9,611,044 | 7,957.25 |
| Investments in Debentures & Bonds At fair value through other comprehensive income to be reclassify at the time of sale | | | | |
| Quoted | | | | |
| IRFC Tax Free Bond | 11,757 | 131.11 | 11,757 | 129.84 |
| NABARD Tax Free Bonds | 10,020 | 108.32 | 10,020 | 108.17 |
| Sub total (c) | 21,777 | 239.43 | 21,777 | 238.01 |

**Investments in Mutual Funds****At fair value through profit and loss****Quoted**

| | | | | |
|--|------------------|-----------------|------------------|---------------|
| Reliance Banking & PSU Debt Fund | 2,035,996 | 276.88 | 2,035,996 | 256.73 |
| Birla Sun life Balanced Advantage Fund- Growth | | | | |
| Direct Adviser (Growth) | - | - | 196,696 | 102.11 |
| SBI Liquid Fund-Direct Growth | 8,549 | 250.35 | | |
| IDFC Bond Fund Short Term Plan | 380,915 | 150.63 | | |
| Kotak Bond Short Term Plan | 550,229 | 200.69 | | |
| L & T Short Term Bond Fund | 547,031 | 100.45 | | |
| ICICI Prudential Balanced Advantage Fund | | | | |
| DP Growth | 301,023 | 114.27 | 301,023 | 105.93 |
| Sub total (d) | 3,823,743 | 1,093.27 | 2,533,715 | 464.77 |

| | | | | |
|---|--|------------------|--|------------------|
| Grand Total (a+b+c+d) | | 38,683.15 | | 38,748.63 |
| Aggregate amount of quoted investments | | 38,683.15 | | 38,748.63 |
| Aggregate amount of impairment in value of investments | | - | | - |

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-------------------------|-------------------------|
| Note:-2.2 Loans (Non-Current) | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Security deposits (Unsecured, considered good) | 198.58 | 211.12 |
| | 198.58 | 211.12 |
| Note:-3 Deferred Tax Liability (Net) | | |
| On account of Depreciation differences, Change in rate of tax & Ind As Adjustments | 257.39 | 399.14 |
| On Account of allowance u/s 43B | 13.82 | 13.24 |
| | 271.21 | 412.38 |
| Note:-4 Inventories | | |
| (Valued at Cost or Net Realisable Value Whichever is Lower) | | |
| Raw Materials | 531.62 | 422.43 |
| Work in Process | 829.39 | 845.00 |
| Finished Goods | 10.77 | 11.99 |
| Waste & Rejections | 6.17 | 3.36 |
| Stores & Spares | 332.31 | 269.26 |
| | 1,710.26 | 1,552.04 |
| Note:- 5.1 Trade receivables | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Considered good | 2088.46 | 3303.87 |
| Considered Doubtful | 34.97 | 16.43 |
| | 2,123.43 | 3,320.30 |
| Note:-5.2 Cash and bank balances | | |
| Balance with banks | 99.15 | 38.96 |
| Cash in hand including stamps | 1.22 | 3.32 |
| | 100.37 | 42.28 |
| Note:-5.3 Other bank balances | | |
| Unpaid Dividend Account | 21.62 | 20.14 |
| Deposits with original maturity more than three months but less than twelve months | 2.47 | 2.32 |
| | 24.09 | 22.46 |

Notes:

- (i) Cash and cash equivalents include ₹ 21.62 lakhs (as at 31 March 2018 ₹ 20.14 lakhs) held in dividend accounts which is not available for use by the company.
- (ii) Deposits with maturity more than three months but less than twelve months are given as security given to Sales Tax Department are now available for withdrawal after the introduction of GST.



| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-------------------------|-------------------------|
| Note:- 5.4 Loans (Current) | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Loan to Employees | 3.99 | 3.13 |
| | 3.99 | 3.13 |
| Note:- 5.5 Other financial assets | | |
| Interest accrued but not due on fixed deposits | 0.27 | 4.14 |
| Sale tax incentive receivable | 225.37 | 674.54 |
| | 225.64 | 678.68 |
| Note:- 6. Other Current assets | | |
| Advance income tax (Net of Provisions) | 100.17 | 63.23 |
| TDS recoverable | 2.09 | 1.53 |
| | 102.26 | 64.76 |
| Note:- 7. Other Current assets | | |
| Advances to suppliers | 144.58 | 244.73 |
| Prepaid expenses | 35.31 | 30.68 |
| Balances with statutory and government authorities | 0.32 | 16.88 |
| License in hands | 11.58 | 18.11 |
| Others recoverable | 87.60 | 96.87 |
| | 279.39 | 407.27 |
| Note:-8 Equity Share Capital | | |
| Authorised capital | | |
| 900 Lakh Equity Shares of ₹ 5- each (Previous Year Same) | 4,500.00 | 4,500.00 |
| Issued, subscribed and Fully paid up. | | |
| 24,587,991 Equity Shares of ₹ 5- each (Previous Year Same) | 1,229.40 | 1,229.40 |
| Add:- Amount paid up on forfeited Shares | 28.37 | 28.37 |
| Total | 1,257.77 | 1,257.77 |

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

| | 31 March 2019 | | 31 March 2018 | |
|--|-------------------|-----------------|-------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity shares at the beginning of the year | 24,587,991 | 1229.40 | 24,587,991 | 1229.40 |
| Issued during the year | - | - | - | - |
| Equity shares at the end of the year | 24,587,991 | 1,229.40 | 24,587,991 | 1,229.40 |

b) Rights, Preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs.5 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shareholders holding more than 5% shares in the Company

| | As on 31 March 2019 | | As on 31 March 2018 | |
|--|---------------------|-----------|---------------------|-----------|
| | No of shares | % holding | No of shares | % holding |
| Nahar Capital & Financial Services Limited | 12,087,671 | 49.16% | 12,087,671 | 49.16% |
| Nahar Industrial Enterprises Limited | - | 0.00% | 1,264,720 | 5.14% |
| Nahar Spinning Mills Limited | 1,253,603 | 5.10% | 1,253,603 | 5.10% |

d) Shares Forfeited

3,49,336 Shares are forfeited in financial year 2006-07 upon non payment of calls.

Note:- 9 Other Equity

(a) Securities premium account

| | | |
|---|-----------------|-----------------|
| Opening Balance as per last Balance Sheet | 4,478.00 | 4,478.00 |
| Add : Additions during the year | - | - |
| Balance as at the year end | 4,478.00 | 4,478.00 |



| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-------------------------|-------------------------|
| (b) Capital reserve on acquisition of shares of associates | | |
| Opening Balance as per last Balance Sheet | 10,078.26 | 10,078.26 |
| Add : Additions during the year | - | - |
| Balance as at the year end | 10,078.26 | 10,078.26 |
| (c) Corporate Social Responsibility Reserve | | |
| Opening Balance as per last Balance Sheet | 38.13 | 16.64 |
| Add : Additions during the year | - | 21.49 |
| Less: Used during the year | (38.13) | - |
| Balance as at the year end | - | 38.13 |
| (d) General Reserve | | |
| Opening Balance as per last Balance Sheet | 10,160.18 | 10,160.18 |
| Add : Additions during the year | - | - |
| Balance as at the year end | 10,160.18 | 10,160.18 |
| (e) Retained Earnings | | |
| Opening Balance as per last Balance Sheet | 19,583.80 | 22,631.13 |
| Profit for the year | 1,123.61 | 1048.20 |
| Other Comprehensive Income for the year (net of tax) | (1,008.36) | (3,926.08) |
| Dividends | (122.94) | (122.94) |
| Dividend distribution tax | (25.27) | (25.03) |
| Transfer to Corporate social responsibility reserve | - | (21.49) |
| Balance as at the year end | 19,550.84 | 19,583.80 |
| Total Other Equity (a+b+c+d+e) | 44,267.28 | 44,338.26 |
| Nature and purpose of reserves | | |
| Securities premium account | | |
| Securities premium account comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013. | | |
| General reserve | | |
| The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss. | | |
| Retained Earnings | | |
| Retained earnings refer to net earnings not paid out as dividends, but retained by the company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders. | | |
| Note:- 10.1 Current borrowings | | |
| Secured | | |
| Working Capital Loans repayable on demand from Banks | 0.72 | 1,352.27 |
| Others Unsecured | - | - |
| | 0.72 | 1,352.27 |
| Working capital facilities under consortium arrangement are secured by way of first pari pasu charge on Current Assets, second pari pasu charge on fixed assets including equitable mortgage of factory land and building of the company and is personally guaranteed by a director of the company. | | |
| Note:- 10.2 Trade payables | | |
| Due to micro, small and medium enterprises (refer note 26) | - | - |
| Due to others | 652.82 | 538.05 |
| | 652.82 | 538.05 |
| Note:- 10.3 Other financial liabilities | | |
| Current maturities of long term debts | - | 858.83 |
| Employee related payables | 81.10 | 76.52 |
| Unpaid Dividend (refer note (a) below) | 21.62 | 20.14 |
| Retention Money | - | 1.56 |
| | 102.72 | 957.05 |

Note:-

There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.



| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-------------------------|-------------------------|
| Note:- 11 Other current liabilities | | |
| Advances from customers | 204.58 | 73.47 |
| Security deposits | 2.46 | 2.46 |
| Dues to director | 0.75 | 0.92 |
| Statutory Dues | 89.76 | 34.41 |
| | 297.55 | 111.26 |
| Note:- 12. Provisions | | |
| Provision for gratuity (refer note 24) | 9.53 | 5.20 |
| | 9.53 | 5.20 |
| Movement in provisions: Provision for gratuity | | |
| Opening Balance | 5.20 | - |
| Add : Provision recognised during the year | 9.53 | 5.20 |
| Less : Provision utilised during the year | 5.20 | - |
| Closing Balance | 9.53 | 5.20 |
| Particulars | Current year | Previous year |
| Note:- 13 Revenue from operations | | |
| Sale of products* | | |
| Export | 303.81 | 215.78 |
| Domestic | 26,185.30 | 25,548.34 |
| | 26,489.11 | 25,764.12 |
| Other operating revenue | | |
| Sale- scrap | 72.04 | 81.13 |
| Export incentives | 9.39 | 11.25 |
| Claims received from Insurance companies | 2.23 | 5.58 |
| Sale tax incentive | - | 104.62 |
| | 26,572.77 | 25,966.70 |
| *Details of product Sold | | |
| Export Sales | | |
| Direct Export of BOPP Film | 303.81 | 215.78 |
| Domestic Sales | | |
| BOPP Film | 26,102.19 | 25,473.98 |
| BOPP Other (Incl.Waste) | 83.11 | 74.36 |
| Other (Misc. Scrap) | 72.04 | 81.13 |
| | 26,561.15 | 25,845.25 |
| Note :- 14 Other Income | | |
| Interest income | 24.99 | 41.99 |
| Dividend Income | 34.52 | 130.63 |
| Profit on sale of investments (net) | 9.53 | 25.05 |
| Exchange fluctuation gain (net) | 1.43 | 0.47 |
| Fair valuation of investments through profit and loss | 28.50 | 14.77 |
| Miscellaneous income | 39.40 | 53.84 |
| | 138.37 | 266.75 |
| Note:- 15 Cost of materials consumed | | |
| Opening stock of raw materials | 422.43 | 635.35 |
| Add : Purchases of raw materials during the year | 21,024.91 | 18,970.86 |
| | 21,447.34 | 19,606.21 |
| Less : Closing stock of raw materials | 531.62 | 422.43 |
| | 20,915.72 | 19,183.78 |



| Particulars | Current Year | Previous Year |
|---|------------------|------------------|
| Details of raw material consumed | | |
| PP Resins and Additives (Indigenous) | 19,646.75 | 18,137.16 |
| PP Resins and Additives (Imported) | 1,268.97 | 1,046.62 |
| | 20,915.72 | 19,183.78 |
| Note:- 16 Changes in inventories of finished goods, work-in-process and traded goods | | |
| Opening stock | | |
| -Finished Goods / Stock in Trade | 15.35 | 74.15 |
| -Work-in-Progress | 845.00 | 542.20 |
| | 860.35 | 616.35 |
| Closing Stock | | |
| -Finished Goods / Stock in Trade | 16.94 | 15.35 |
| -Work-in-Progress | 829.39 | 845.00 |
| | 846.33 | 860.35 |
| | 14.02 | (244.00) |
| Note:- 17 Employee benefit expense | | |
| Salary, Wages and other Allowances | 641.85 | 608.24 |
| Contribution to Provident and other funds | 71.48 | 79.55 |
| Staff Welfare Expenses | 45.90 | 43.86 |
| | 759.23 | 731.65 |
| Note:- 18 Finance cost | | |
| Interest Expense | | |
| - On working capital loans | 52.55 | 69.89 |
| - On term loans | 28.01 | 185.44 |
| - Others | 9.86 | 0.07 |
| Other Borrowings Cost | 2.58 | 6.57 |
| | 93.00 | 261.97 |
| Note:- 19 Other expenses | | |
| Power & Fuel Consumed | 1,656.16 | 1,656.10 |
| Packing Expenses | 465.90 | 539.48 |
| Consumption of stores & spares | 3.27 | 3.54 |
| Rent | 2.19 | 2.07 |
| Repair and Maintenance | | |
| -Building Repair | 2.18 | 6.57 |
| -Plant & machinery | 289.14 | 250.59 |
| -General Repair | 16.40 | 13.73 |
| Insurance | 65.18 | 60.01 |
| Legal & Professional expenses | 20.51 | 22.13 |
| Rates & Taxes | 19.36 | 11.61 |
| Travelling and Conveyance | 19.49 | 25.41 |
| Brokerage and Commission | 52.05 | 40.46 |
| Freight & Forwarding | 786.93 | 726.34 |
| Other manufacturing expenses | 5.60 | 58.21 |
| Payments to auditors* | 2.16 | 2.08 |
| Communication Expenses | 8.60 | 8.67 |
| Corporate social responsibility expenses | 21.75 | 0.35 |
| Miscellaneous Expenses | 70.73 | 50.67 |
| | 3,507.60 | 3,478.02 |
| *Payment to Auditors | | |
| As Auditor: | | |
| -Audit Fee | 2.16 | 2.05 |
| -Certification charges | - | 0.01 |
| -Out of Pocket Expenses | - | 0.02 |
| | 2.16 | 2.08 |



| Particulars | Current Year | Previous Year |
|--|---------------|---------------|
| Note:- 20 Tax Expense | | |
| (1) Current Tax | | |
| Provision for Taxation for the year | 277.17 | 475.00 |
| Income Tax Adjustment of earlier years | (36.62) | (1.66) |
| (2) Deferred Tax | 141.00 | (267.15) |
| | 381.55 | 206.19 |

(A) Reconciliation of tax liability on book profit vis-à-vis actual tax liability

| | | |
|---|---------------|---------------|
| Accounting profit before income tax | 1,193.10 | 616.54 |
| Statutory income tax rate | 34.944% | 34.944% |
| Current tax expenses on profit before tax at the statutory income tax rate in India | 416.92 | 215.44 |
| Other permanent differences | 1.25 | (10.34) |
| Income taxed on different tax rate | - | 2.75 |
| Charge/(credit) in respect of earlier years | (36.62) | (1.66) |
| Unrecognised tax assets (net) | - | - |
| Income tax expense reported in the statement of profit and loss | 381.55 | 206.19 |

(B) The movement in deferred tax assets and liabilities during the year

| | Balance Sheet | | Statement of profit and loss | | Other Comprehensive Income | |
|--|---------------|---------------|------------------------------|-----------------|----------------------------|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Accelerated depreciation for tax purposes and other Ind AS adjustments | 257.39 | 399.14 | 141.57 | (266.12) | 0.17 | 0.30 |
| Expenditure incurred u/s 43B | 13.82 | 13.24 | (0.57) | (1.03) | - | - |
| | 271.21 | 412.38 | 141.00 | (267.15) | 0.17 | 0.30 |

Net Deferred tax assets/(liabilities)

Reflected in balance sheet as follows

| | | |
|--|---------------|---------------|
| Deferred tax assets | 271.21 | 412.38 |
| Deferred tax liabilities | - | - |
| Deferred tax assets/(liabilities) (net) | 271.21 | 412.38 |

Reconciliation of deferred tax assets/(liabilities), net

| | | |
|---|---------------|---------------|
| Opening Balance as at 1 April | 412.38 | 144.93 |
| Tax Income/(expense) during the year recognised in profit or loss | (141.00) | 267.15 |
| Tax Income/(expense) during the year recognised in Other comprehensive income | (0.17) | 0.30 |
| Closing Balance as at 31 March | 271.22 | 412.38 |

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

(C.) Tax Assets and Liabilities.

| | | |
|------------------------------|--------|-------|
| Income tax assets (net) | 102.26 | 64.76 |
| Income tax liabilities (net) | - | - |

**21.1 Statement of SIGNIFICANT ACCOUNTING POLICIES:****(i) Company Overview**

Nahar Poly Films Limited ('the company') is into the business of manufacturing and selling of BOPP films. The company is a public facility is located Near Mandideep, Bhopal, MP, India. The company has its listing of equity shares on BSE Limited and National Stock Exchange of India Limited.

The financial statements are approved for issue by the company's Board of Directors on 30-May-2019

(ii) SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Presentation:**i) Compliance with IndAS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The Financial statements of the company for the year ended 31 March 2019 have been approved by the Board of Directors at their meetings held on 30-May-2019

(ii) Accounting Convention

The accounts 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.

(iii) Rounding of amount

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

(iv) Current/Non-current classification

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

b) Foreign currency translation

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

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

c) Revenue recognition

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

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

Export Incentives- Export incentives are recognised on post export basis.

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

d) Government Grants:

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

Government grant relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets and presented within other income.

e) Income Tax:

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



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

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

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

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

(f) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(g) Cash and cash Equivalents:

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

h) Inventories

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

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

i) INVESTMENT AND OTHER FINANCIAL ASSETS

i) Classification

The company classifies its financial assets in the following measurement categories –

- Those to be measured subsequently at fair value (either through other comprehensive income or through Statement of profit and loss), and
- Those measured at amortised cost

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at the fair value through other comprehensive income

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss.

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss.

iii) Impairment of financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- iv) De-recognition of Financial Assets:**
Financial asset is derecognised only when
- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
- v) Income Recognition:**
Interest income – Interest income from debt instruments is recognised using the effective interest rate method.
Dividend income -Dividends are recognised in profit or loss only when the right to receive payment is established.
Rental Income - Rental income is accounted for on accrual basis.
Scrap (i.e. empties, wastage etc. Other than production) is accounted for on sale basis.
- j) Impairment of Non-Financial assets**
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash-generating units). Non-Financial assets suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.
- k) Non- Current Assets Held for Sale:**
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt.
Non-current assets are not depreciated or amortised while they are classified held for sale. Interest and other expenses attributable to the liabilities of disposal, company classified as held for sale, continue to be recognised.
- l) Derivatives that are not designated as hedges**
The company enters into certain derivatives/forward contracts to hedge foreign currency risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.
- m) Property, plant and equipment**
Property, Plant and equipment are stated at cost, less accumulated depreciation and impairment if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use.
Depreciation methods, estimated useful lives and residual value
The company depreciates its property, plant and equipment over the useful life in the manner prescribed in the Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the assets.
- n) Intangible assets**
Computer software
Computer software are stated at cost, less accumulated amortisation and impairment ,if any.
Amortisation methods and periods
The company amortises the computer software with a finite useful life over the period of 5 years.
- o) 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.
- p) Borrowings**
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method.
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- q) Borrowing costs**
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.
- r) Provisions and contingent liabilities**
Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.



Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

- s) **Employee Benefits**
- (i) **Short term obligations**
Liabilities for wages and salaries, including non-monetary benefits, if any, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.
- (ii) **Other long term employee benefit obligations**
The liabilities, if any, which needs to be settled after 12 months from the end of the period in which the employees render the related services are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.
- (iii) **Post-employment obligations**
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.
Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
- (iv) **Defined contribution plans**
Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the Statement of Profit and Loss.
- t) **Estimates and judgements**
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.
The areas involving critical estimates or judgements are:
- Estimation of current tax expense and payable.
- Designation of financial assets/liabilities through FVTPL.
- Estimation of defined benefit obligation.
- Recognition of deferred tax assets for carried forward tax losses.
Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on company and that are believed to be reasonable under the circumstances.
- 21.2. **Significants accounting judgements, estimates & assumptions**
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality



rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note:-24 .

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The Inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Note:- 22 Capital Commitments and Other Commitments | | |
| a) Capital Commitments | | |
| Estimated amount of contracts remaining to be executed not provided for (net of advances and deposits) | - | - |
| b) Other Commitments | | |
| - Bank Guarantee | - | - |
| - Letter of credits outstanding in favour of suppliers (net of advances) | 106.59 | 41.29 |
| - Estimated amount of contracts remaining to be executed not provided for (net of advances and deposits) | 2.25 | 6.61 |
| | 108.80 | 47.90 |

Note:- 23 Earnings per share (EPS) (Ind AS 33)

The Company's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company . Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

| Earnings Per Share has been computed as under: | Current Year | Previous Year |
|---|--------------|---------------|
| Profit for the year attributable to the Equity holders of the Company | 1222.78 | 1147.37 |
| Weighted-average number of equity shares for basic EPS | 245.88 | 245.88 |
| Earnings Per Share (Rs.) - Basic (Face value of Rs. 5 per share) | 4.97 | 4.67 |

(Diluted earning per share is same as basic earning per share.)
Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Note:-24 Post Retirement Benefits Plans (Ind AS 19)

Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.



| Particulars | Current Year | Previous Year |
|--|--|--|
| (i) Changes in Defined Benefit Obligation | | |
| Present value obligation as at the start of the year | 114.72 | 102.50 |
| Current service cost | 15.03 | 13.47 |
| Interest cost | 8.50 | 8.13 |
| Past Service Cost Plan Amendment | - | 10.58 |
| Actuarial loss/(Gains) - Experience Changes | 3.09 | (22.25) |
| Actuarial loss / (Gains) Financial Assumption | - | 4.03 |
| Benefits paid | (8.67) | (1.74) |
| Present value obligation as at the end of the year | 132.67 | 114.72 |
| (ii) Change in fair value of plan assets | | |
| Fair value of plan assets as at the start of the year | 109.52 | 102.50 |
| Interest income on plan assets | 8.63 | 8.21 |
| Employer Contributions | 13.79 | 2.00 |
| Benefits paid | (8.67) | (1.74) |
| Return on plan assets greater/(lesser) than discount Rates | (0.13) | (1.45) |
| Fair value of plan assets as at the end of the year | 123.14 | 109.52 |
| (iii) Breakup of Actuarial gain/loss: | | |
| Actuarial (gain)/loss on arising from change in financial assumption | - | 4.03 |
| Actuarial (gain)/loss on arising from experience adjustment | 3.09 | (22.25) |
| Return on plan assets (greater)/less than discount rate | 0.13 | 1.45 |
| | 3.22 | (16.77) |
| (iv) Net Asset / (Liability) recognised in the Balance Sheet | | |
| Present value obligation as at the end of the year | (132.67) | (114.72) |
| Fair value of plan assets as at the end of the year | 123.14 | 109.52 |
| Net Asset / (Liability) in the Balance Sheet | (9.53) | (5.20) |
| (v) Amount recognized in the statement of profit and loss | | |
| Current service cost | 15.03 | 13.47 |
| Interest cost | 8.50 | 8.13 |
| Interest income on plan assets | (8.63) | (8.21) |
| (Income)/Expense recognised in the statement of profit and loss | 14.90 | 13.39 |
| (vi) Remeasurements recognised in the statement of Other | | |
| Comprehensive Income (OCI) | | |
| Changes in Financial Assumptions | - | 4.03 |
| Experience Adjustments | 3.09 | (22.25) |
| Return on plan assets (greater)/less than discount rate | 0.13 | 1.45 |
| Amount recognised in Other Comprehensive Income | (3.22) | 16.77 |
| (vii) Actuarial assumptions | | |
| Discount Rate (p.a) | 7.70% | 7.70% |
| Salary Escalation Rate (p.a) | 7.00% | 7.00% |
| Employee Turnover rate | 1% to 3% | 1% to 3% |
| Mortality Rate | "Indian Assured Lives Mortality (2006-08) (modified) Ult" | "Indian Assured Lives Mortality (2006-08) (modified) Ult" |

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.



| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| (viii) Sensitivity analysis for gratuity liability | | |
| The sensitivity of the overall plan obligations to changes in the weighted key assumptions are: | | |
| Present value of obligation at the end of the year | | |
| Impact of the change in Discount rate (p. a) | | |
| Impact due to decrease of 0.50% | 8.37 | 7.59 |
| Impact due to increase of 0.50% | (7.57) | (6.84) |
| Impact of change in Salary Escalation rate (p. a) | | |
| Impact due to increase of 0.50% | 8.18 | 7.34 |
| Impact due to decrease of 0.50% | (7.44) | (6.66) |
| (ix) Expected future cash flows | | |
| The expected future cash flows in respect of gratuity were as follows: | | |
| Weighted average duration of defined plan obligation (based on discounted cash flows) | | |
| Gratuity | 14 years | 14 years |
| The followings are the expected future benefit payments for the defined benefit plan : | | |
| March 31, 2019 | - | 2.73 |
| March 31, 2020 | 6.93 | 6.98 |
| March 31, 2021 | 3.49 | 3.62 |
| March 31, 2022 | 4.61 | 4.78 |
| March 31, 2023 | 22.82 | 22.66 |
| March 31, 2024 | 12.38 | - |
| March 31, 2024 to March 31, 2028 | - | 75.95 |
| March 31, 2025 to March 31, 2029 | 79.90 | - |
| Note-25 Corporate Social Responsibility | | |
| In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company required to spend a sum of ₹ 21.75 lakhs (as at 31st March, 2018 ₹ 21.84 lakhs) towards CSR activities. The details of amount actually spent by the Company are: | | |
| (a) Gross amount required to be spent by the company as per section 135 of the Act. | 21.75 | 21.84 |
| (b) Amount spent during the year on: | | |
| - paid in cash/ cash equivalents * | 21.75 | 0.35 |
| - paid in next year | - | 21.49 |
| - yet to be paid | - | - |
| | 21.75 | 21.84 |
| The company and other group companies have joined hands to undertake the future CSR activities under one umbrella organisation i.e. Oswal Foundation. Oswal Foundation, a special purpose vehicle has been considering new projects in the field of healthcare which are likely to be finalised soon. Whenever it will mature and approved by all the companies under umbrella, the amount of CSR liability will be contributed to Oswal foundation to implement the CSR Project during the year 2018-19. | | |
| Note:-26 Dues to micro and small suppliers | | |
| Under the section 22 of Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. | | |
| Interest due thereon | - | - |
| Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year. | - | - |
| Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |



| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Interest accrued and remaining unpaid as at end of the year | - | - |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - |
| Note:-27 Government Grants | | |
| At the beginning of the year | 674.54 | 663.56 |
| Provided during the year | 0.00 | 104.37 |
| Received during the year | 449.17 | 93.39 |
| At the end of the year | 225.37 | 674.54 |
| Current | 225.37 | 674.54 |
| Non-Current | - | - |
| Government grants have been received from MP state as sales tax incentives. There are no unfulfilled conditions or contingencies attached to these grants. | | |

Note 28. Fair value measurement
(a) Financial instruments by category

| Particulars | 31st March 2019 | | | 31st March 2018 | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| -Equity Instruments* | - | 7,492.30 | - | - | 7,957.25 | - |
| -Debentures and Bonds | - | 239.43 | - | - | 238.01 | - |
| -Mutual funds | 1,093.27 | - | - | 464.77 | - | - |
| Security Deposits | - | - | 198.58 | - | - | 211.12 |
| Trade receivables | - | - | 2,123.43 | - | - | 3,320.30 |
| Cash and cash equivalents | - | - | 100.37 | - | - | 42.28 |
| Other Bank Balances | - | - | 24.09 | - | - | 22.46 |
| Loan to employees | - | - | 3.99 | - | - | 3.13 |
| Other financial assets | - | - | 225.64 | - | - | 678.68 |
| Total | 1,093.27 | 7,731.73 | 2,676.10 | 464.77 | 8,195.26 | 4,277.97 |
| Financial Liabilities | | | | | | |
| Non-current Borrowings | - | - | - | - | - | - |
| Current Borrowings | - | - | 0.72 | - | - | 1,352.27 |
| Trade payable | - | - | 652.82 | - | - | 538.05 |
| "Other financial liabilities (Current)" | - | - | 102.72 | - | - | 957.05 |
| Total | - | - | 756.26 | - | - | 2,847.37 |

* Investment in subsidiaries, joint ventures and associates are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

(b) Fair value hierarchy

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



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

| Particulars | 31 March 2019 | | | 31 March 2018 | | |
|-------------------------------|-----------------|----------|----------|-----------------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Investments at FVTPL | | | | | | |
| -Mutual funds | 1,093.27 | - | - | 464.77 | - | - |
| -Equity Instruments | - | - | - | - | - | - |
| Investments at FVOCI | | | | | | |
| -Equity Instruments | 7,492.30 | - | - | 7,957.25 | - | - |
| Debentures and Bonds | 239.43 | - | - | 238.01 | - | - |
| Total financial assets | 8,825.00 | - | - | 8,660.03 | - | - |

Valuation process and technique used to determine fair value

- (i) The fair value of investments in government securities, debentures and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- (ii) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Financial assets and liabilities measured at amortised cost

| Particulars | 31 March 2019 | | | 31 March 2018 | | |
|---|---------------|----------|-----------------|---------------|----------|-----------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Security Deposits | - | - | 198.58 | - | - | 211.12 |
| Trade receivables | - | - | 2,123.43 | - | - | 3,320.30 |
| Cash and cash equivalents | - | - | 100.37 | - | - | 42.28 |
| Other Bank Balances | - | - | 24.09 | - | - | 22.46 |
| Loan to employees | - | - | 3.99 | - | - | 3.13 |
| Other financial assets | - | - | 225.64 | - | - | 678.68 |
| Total financial assets | - | - | 2,676.10 | - | - | 4,277.97 |
| Financial liabilities | | | | | | |
| Non-current Borrowings | - | - | - | - | - | - |
| Current Borrowings | - | - | 0.72 | - | - | 1,352.27 |
| Trade payable | - | - | 652.82 | - | - | 538.05 |
| "Other financial liabilities (Current)" | - | - | 102.72 | - | - | 957.05 |
| Total financial liabilities | - | - | 756.26 | - | - | 2,847.37 |

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 maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

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

| Particulars | 31 March 2019 | | 31 March 2018 | |
|------------------------------------|-----------------|---------------|-----------------|---------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial assets | | | | |
| Non-current assets | 198.58 | 198.58 | 211.12 | 211.12 |
| Total financial assets | 198.58 | 198.58 | 211.12 | 211.12 |
| Financial liabilities | | | | |
| Non-current liabilities | - | - | - | - |
| Total financial liabilities | - | - | - | - |



d) Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) The management assessed that the fair values of cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- (ii) The fair value of non-current borrowings and security deposits that approximate to their carrying amounts as it is based on discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

Note:- 29. Financial risk management objectives and policies

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

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

(A) Market risk

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

a) Market risk- 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 carry its borrowings primarily at variable rate.

| | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------|--------------------------------|--------------------------------|
| Variable rate borrowings | 0.72 | 2,211.10 |
| Fixed rate borrowings | - | - |
| Total Borrowings | 0.72 | 2,211.10 |

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of 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:

| | | |
|---|---|---------|
| 50 bps decrease would Increase the profit before tax by | - | 11.06 |
| 50 bps increase would decrease the profit before tax by | - | (11.06) |

b) Market risk- Foreign currency risks

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, EURO and JPY. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

| | As at 31 March 2019 | | As at 31 March 2018 | |
|----------------------|----------------------------|--------|----------------------------|--------|
| | Foreign Currency | INR | Foreign Currency | INR |
| Trade receivables | | | | |
| -USD | 48301 | 33.46 | - | - |
| Trade payables | | | | |
| -USD | 94943 | 65.78 | 64698 | 42.58 |
| Total Exposure (net) | | | | |
| -USD | -46643 | -32.32 | -64698 | -42.58 |



| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

USD Sensitivity

| | | |
|---|-------|-------|
| 5% decrease would Increase the profit before tax by | -1.62 | -2.13 |
| 5% increase would decrease the profit before tax by | 1.62 | 2.13 |

c) Market risk- Price risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either at fair value through other comprehensive income or at fair value through profit and loss. To manage its price risk arising from investments in equity instruments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Price sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

- Impact on total comprehensive income

| | | |
|---|----------|----------|
| 500 bps in BSE Sensex 30 increase would Increase the profit before tax by | 374.62 | 397.86 |
| 500 bps in BSE Sensex 30 decrease would decrease the profit before tax by | (374.62) | (397.86) |

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(a) 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 financial reporting date
- (ii) Moderate credit risk
- (iii) High credit risk

The Company provides for expected credit loss based on the following:

| Asset group | Basis of categorisation | Provision for expected credit loss |
|----------------------|--|---|
| Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables, Investments and other financial assets | 12 month expected credit loss |
| Moderate credit risk | Trade receivables and other financial assets | Life time expected credit loss or 12 month expected credit loss |
| High credit risk | Trade receivables and other financial assets | Life time expected credit loss fully provided for" |

Financial assets that expose the entity to credit risk –

Low credit risk on reporting date

| | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------|---------------------|---------------------|
| Trade receivables | 2,123.43 | 3,320.30 |
| Cash and cash equivalents | 100.37 | 42.28 |
| Other bank balances | 24.09 | 22.46 |
| Loans(current) | 3.99 | 3.13 |
| Loans(non-current) | 198.58 | 211.12 |
| Other financial asset (current) | 225.64 | 678.68 |



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 amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

| Gross carrying amount of trade receivables | As at 31 March 2019 | As at 31 March 2018 |
|---|----------------------------|----------------------------|
| Not due nor impaired | 1940.91 | 3197.50 |
| 0-90 days past due | 142.70 | 1.29 |
| 90-180 days past due | 2.36 | 0.60 |
| 180-365 days past due | 2.49 | 104.48 |
| More than one year | 34.97 | 16.43 |
| Total | 2123.43 | 3320.30 |

Loans and Other financial assets measured at amortised cost

Loans and other financial assets measured at amortized cost includes 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

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

(a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Floating rate | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------|---------------------|
| (i) Expiring within one year (Cash Credit and other facilities) | | |
| Secured | | - |
| Working Capital Facilities | 4199.28 | 2847.73 |

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

| Particulars | 0-1 Years | 1 to 2 years | 2 to 5 years | More than 5 years | Total |
|---|------------------|---------------------|---------------------|--------------------------|-----------------|
| Year ended 31 March 2019 | | | | | |
| Contractual maturities of borrowings | 183.42 | - | - | - | 183.42 |
| Contractual maturities of Trade payables and other payables | 652.82 | - | - | - | 652.82 |
| Contractual maturities of other financial liabilities | 102.72 | - | - | - | 102.72 |
| Total | 938.96 | - | - | - | 938.96 |
| Particulars | | | | | |
| Year ended 31 March 2018 | | | | | |
| Contractual maturities of borrowings | 2,412.48 | - | - | - | 2,412.48 |
| Contractual maturities of Trade payables and other payables | 538.05 | - | - | - | 538.05 |
| Contractual maturities of other financial liabilities | 98.22 | - | - | - | 98.22 |
| Total | 3,048.75 | - | - | - | 3,048.75 |

Note:- 30 Dividend distribution made

| | Current Year | Previous Year |
|---|---------------------|----------------------|
| Dividend during the year (Rs. 0.50 per share) | 122.94 | 122.94 |
| Dividend distribution tax | 25.27 | 25.03 |
| | 148.21 | 147.97 |

**Note:- 31 Reconciliation of changes in financial liabilities**

Reconciliation of Changes in liabilities arising from financing activities including both changes arising from cash flow and non cash changes as per the requirement of IND AS-7 'Statement of Cash Flows'

| Particulars | Current Year | | Previous Year | |
|--|--|-------------------------|--|-----------------------|
| | Borrowings (Non-current) (including current maturities) | Borrowings (Current) | Borrowings (Non-current) (including Current maturities) | Borrowings current |
| A. Borrowings from Banks | | | | |
| Balance at the beginning of the period | 858.83 | 1,352.27 | 2,599.71 | 358.26 |
| Add:/Less Changes during the period | | | | |
| (a) Changes from financing cash flows | (858.83) | (1,351.55) | (1,740.88) | 994.01 |
| (b) Changes arising from obtaining or losing control of subsidiaries or other business | | | | |
| (c) the effect of changes in foreign exchange rates | | | | |
| (d) changes in fair values | | | | |
| (e) other Changes | | | | |
| Balance at the end of the period | - | 0.72 | 858.83 | 1,352.27 |
| B. Deposits from body corporates | | | | |
| Balance at the beginning of the period | - | - | - | - |
| Add:/Less Changes during the period | | | | |
| (a) Changes from financing cash flows (Net) | - | - | - | - |
| (b) Changes arising from obtaining or losing control of subsidiaries or other business | - | - | - | - |
| (c) the effect of changes in foreign exchange rates | - | - | - | - |
| (d) changes in fair values | - | - | - | - |
| (e) other Changes | - | - | - | - |
| Balance at the end of the period | - | - | - | - |

Note:- 32 Capital Management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents and other bank balances

| | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------|---------------------|---------------------|
| Borrowings | 0.72 | 2,211.10 |
| Trade payables | 652.82 | 538.05 |
| Less: Cash and cash equivalents | (100.37) | (42.28) |
| Less: Other bank balances | (24.09) | (22.46) |
| Net debt | 529.08 | 2,684.41 |
| Equity | 19,538.40 | 19,279.86 |
| Capital and net debt | 20,067.48 | 21,964.27 |
| Gearing ratio | 2.64% | 12.22% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.



Note:- 33 Related party disclosure as per Ind AS 24

Disclosure of related parties and relationship between the parties

Nature of relationship

- (i) Associates
M/s Nahar Capital & Financial Services Limited
- (ii) Key Management Personnel
Mr. Dinesh Oswal (Director), Mr. S. K. Sharma (Executive Director)
Mr. Rakesh Jain (CFO), Ms. Bhoomika (Company Secretary).
- (iii) Relatives of Key Management Personnel
Mr. Jawahar Lal Oswal, Mr. Kamal Oswal, Mrs. Abhilash Oswal, Mrs. Ruchika Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mrs. Monika Oswal, Mr. Sambhav Oswal, Mr. Rishab Oswal, Tanvi Oswal.
- (iv) Other Group companies over which key Management Personnel and their relatives are able to exercise significant Influence
Nahar Spinning Mills Ltd., Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Ltd., Vanaik Spinning Mills Ltd., Abhilash Growth Fund (P) Ltd., Atam Vallabh Financers Ltd., Bermuda Insurance Brokers Pvt. Ltd., Kovalam Investments & Trading Co. Ltd., Ludhiana Holdings Ltd., Monica Growth Fund (P) Ltd., Nagdevi Trading & Investment Co. Ltd., Nahar Growth Fund (P) Ltd., Neha Credit & Investment (P) Ltd., Ogden Trading & Investment Co. (P) Ltd., Ruchika Growth Fund (P) Ltd., Sankeshwar Holding Co. Ltd., Vanaik Investors Ltd., Vardhman Investments Ltd., J.L. Growth Fund Ltd., Jawahar Lal & Sons, Monte Carlo Fashions Ltd., Hug foods (P) Ltd., Simran & Shanaya Co. Ltd., Sidhant & Mannat Co. Ltd., Palm Motels Ltd., Suvrat Trading Co. Ltd., Amlah Industries Ltd., Closet Trunk (P) Ltd.

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

Detail of Related party Transactions

| Sr. No PARTICULARS | Associates | | " Enterprises over which KMP is able to exercise significant influence | | Key Management personnels & their relatives | |
|---------------------------------------|--------------|---------------|--|---------------|---|---------------|
| | Current Year | Previous year | Current Year | Previous year | Current Year | Previous year |
| 1 Intercompany Deposits given | - | 500.00 | - | - | - | - |
| 2 Intercompany Deposits received back | - | 500.00 | - | - | - | - |
| 3 Intercompany Deposits received | 785.00 | - | - | - | - | - |
| 4 Intercompany Deposits repaid | 785.00 | - | - | - | - | - |
| 5 Interest Received | - | 0.63 | - | - | - | - |
| 6 Interest Paid | 7.13 | - | - | - | - | - |
| 7 Director's Sitting Fees | - | - | - | - | 1.20 | 1.10 |
| 8 Director's Remuneration | - | - | - | - | 26.19 | 23.54 |
| 9 Rent Paid | - | - | 2.19 | 2.07 | - | - |
| 10 License Purchased | - | - | 77.08 | 60.95 | - | - |
| 11 Reimbursements Received | - | - | 1.36 | 0.10 | - | - |
| 12 Reimbursements Paid | - | - | 0.80 | 0.34 | - | - |
| 13 Sales | - | - | 6.29 | - | - | - |
| 14 Purchase of Goods/Services | - | - | 7.97 | - | - | - |
| 15 Balance as on 31.03.2019 | | | | | | |
| - Crs./Payable | - | - | 5.32 | 0.10 | - | - |
| - Due to directors | - | - | - | - | 0.75 | 0.92 |

Note:-34 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 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) Material associate is accounted for using the equity method in these consolidated financial statements.

| Name of Entity | % of Ownership interest | Relationship | Accounting method | Proportion of Ownership Interest | |
|--|-------------------------|--------------|-------------------|----------------------------------|------------------|
| | | | | Current Year | Previous Year |
| Nahar Capital & Financial Services Limited | 39.48% | Associate | Equity Method | 39.48% | 39.48% |
| Total Equity Accounted Investment | | | | 29,858.15 | 30,088.60 |



- (b) Summarised Financial information for the associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statement of the relevant associates by using Equity method.

| Particulars | Current Year | Previous Year |
|---|---------------------|----------------------|
| Financial Assets | 68,983.69 | 73,557.52 |
| Non Financial Assets | 8,178.74 | 6084.31 |
| Total Assets | 77,162.43 | 79,641.83 |
| Financial Liabilities | 1,373.91 | 3,212.44 |
| Non-Financial Liabilities | 161.88 | 219.95 |
| Total Liabilities (a+b) | 1,535.79 | 3,432.39 |
| Net Assets | 75,626.64 | 76,209.44 |
| Proportion of Group ownership (%) | 39.481% | 39.481% |
| Proportion of Group ownership in Nahar Capital Financial Services Limited | 29,858.15 | 30,088.60 |

Summarised Statement of Profit and Loss

| | | |
|---|------------|----------|
| Gross Revenue | 2,516.77 | 3,022.14 |
| Earning before interest, depreciation/amortisation | 1,578.52 | 2,412.80 |
| Depreciation and amortisation | 43.67 | 32.25 |
| Interest Expense | 40.78 | 37.57 |
| Tax Expense | 313.92 | 425.07 |
| Profit and loss for the period | 1,180.15 | 1,917.91 |
| Other Comprehensive Income | (1,374.10) | 1,278.55 |
| Total Comprehensive Income | (193.95) | 3,196.46 |
| Less: CSR Exp. Paid | (86.02) | - |
| Less: Dividend Distribution Tax | (52.55) | (51.15) |
| | (332.52) | 3,145.31 |
| Proportion of ownership (%) | 39.481% | 39.481% |
| Proportion of Group ownership in Nahar Capital Financial Services Limited | (131.28) | 1,241.81 |

- (c) **Movement of Investment using equity Method**

Nahar Capital & Financial Services Limited

| | | | | |
|---|----------|------------------|----------|------------------|
| Opening balance of interest in associates | | 30,088.60 | | 28,945.96 |
| Add:- Share of profit for the period | (131.28) | | 1,241.81 | |
| Less:-Dividend Received | (99.17) | | (99.17) | |
| Net Income from Associates | | (230.45) | | 1,142.64 |
| Closing Balance of interest in associates | | <u>29,858.15</u> | | <u>30,088.60</u> |

The Company adopted Ind-AS issued by MCA w.e.f 01.04.2017 (Transition date being 01.04.2016). However, the associate company M/s. Nahar Capital & Financial Services Limited has adopted Indian Accounting Standard (IND-AS) issued by MCA w.e.f. 1st April, 2018 (Transition date being 1st April, 2017). Since, it was impracticable to convert the financial statements of above associate company from Indian GAAP to Ind-AS on the date of previous Balance Sheet (31.03.2018), the company had considered Indian GAAP financial statements of the associate for the purpose of preparing its own consolidated financial statements as on 31.03.2018. Now the above statements as per IndAs are available for both the financial years, we revised the figures of 31.03.2018 as well, as per Ind-AS.



Additional Information as required Under Schedule III to companies Act, 2013 of entities Consolidated as Associates.

| Name of the Entity | Share of Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|--|---|-----------|-------------------------------------|--------|---|---------|---|---------|
| | As % of consolidated net assets | "Amount" | As % of consolidated profit or loss | Amount | As % of consolidated Other Comprehensive Income | Amount | As % of consolidated Total Comprehensive Income | Amount |
| Parent Nahar Poly films Limited | | | | | | | | |
| Associates* Nahar Capital & Financial Services Limited | | | | | | | | |
| - As on / For the Year Ending 31.03.2019 | 39.48% | 29,858.15 | 39.48% | 411.23 | 39.48% | -542.51 | 39.48% | -131.28 |
| - As on / For the Year Ending 31.03.2018 | 39.48% | 30,088.60 | 39.48% | 737.02 | 39.48% | 504.79 | 39.48% | 1241.81 |

* Accounted as per equity method. Amounts given here in respect of associates are the share of the group in the net assets of the respective associates and the share of the group in the profit or loss of the respective associates.

The Company adopted Ind-AS issued by MCA w.e.f 01.04.2017 (Transition date being 01.04.2016). However, the associate company M/s. Nahar Capital & Financial Services Limited has adopted Indian Accounting Standard (IND-AS) issued by MCA w.e.f. 1st April, 2018 (Transition date being 1st April, 2017). Since, it was impracticable to convert the financial statements of above associate company from Indian GAAP to Ind-AS on the date of previous Balance Sheet (31.03.2018), the company had considered Indian GAAP financial statements of the associate for the purpose of preparing its own consolidated financial statements as on 31.03.2018. Now the above statements as per IndAs are available for both the financial years, we revised the figures of 31.03.2018 as well, as per Ind-AS.

Note:-35 General

- Previous year figures has been regrouped/reclassified to confirm the current year classification.
- All Amounts ₹ in Lakhs, unless stated otherwise

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per Neha Kansal
Partner
M No.540386

Rakesh Jain
(Chief Financial Officer)

Bhoomika
(Company Secretary)

Dinesh Oswal
(Director)
DIN - 0607290

S.K Sharma
(Executive Director)
(DIN :00402712)

Place : Ludhiana
Date : 30.05.2019



Form 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 Rs)

| | | |
|-----|--|------|
| 1. | Sl. No. | N.A. |
| 2. | Name of the subsidiary | N.A. |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N.A. |
| 5. | Share capital | N.A. |
| 6. | Reserves & surplus | N.A. |
| 7. | Total assets | N.A. |
| 8. | Total Liabilities | N.A. |
| 9. | Investments | N.A. |
| 10. | Turnover | N.A. |
| 11. | Profit before taxation | N.A. |
| 12. | Provision for taxation | N.A. |
| 13. | Profit after taxation | N.A. |
| 14. | Proposed Dividend | N.A. |
| 15. | % of shareholding | N.A. |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : N.A.
- Names of subsidiaries which have been liquidated or sold during the year. : N.A.

**Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures**

| | Name of Associates/Joint Ventures | Nahar Capital and Financial Services Limited |
|-----|---|--|
| 1. | Latest audited Balance Sheet Date | 31.03.2019 |
| 2. | Shares of Associate/Joint Ventures held by the Company on the year end Number Amount of Investment in Associates/Joint Venture Extend of Holding % | 66,11,632 36,73,15,961 39.48% |
| 3. | Description of how there is significant influence | More than 20% shares of Nahar Capital and Financial Services Limited held by the Company |
| 4. | Reason why the associate/joint venture is not Consolidated | Not Applicable |
| 5. | Networth attributable to Shareholding as per latest Audited Balance Sheet | 29858 (In Lakhs) |
| 6. | Profit/Loss for the year | -332.52 (Rs. In Lakhs) |
| i. | Considered in Consolidation | -131.28 (Rs. In Lakhs) |
| ii. | Not Considered in Consolidation | -201.24 (Rs. In Lakhs) |

For YAPL & Company
Chartered Accountants
FRN:017800N

For Nahar Poly Films Limited

per **Neha Kansal**
Partner
M.No.540386
Place : Ludhiana
Date : 30.05.2019

Rakesh Jain
(Chief Financial Officer)

Bhoomika
(Company Secretary)

Dinesh Oswal
Director
(DIN - 00607290)

S.K Sharma
(Executive Director)
(DIN :00402712)

NAHAR POLY FILMS LTD

Registered office: 376, Industrial Area – A, Ludhiana – 141003
CIN: L17115PB1988PLC008820
E-mail: secnel@owmnaahar.com; Website: www.owmnaahar.com

BALLOT FORM

Sr. No. _____

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

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

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

No. of equity shares held :

I/We hereby exercise my/our vote(s) in respect of the following Resolutions as set out in the Notice dated 13th August, 2019 of the Company by conveying my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark (✓) at the appropriate box below:

| Resolution No. | Description | No. of Shares | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|----------------|---|---------------|-------------------------------------|--|
| 1 | ADOPTION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - STANDALONE AS WELL AS CONSOLIDATED | | | |
| 2. | DECLARATION OF DIVIDEND ON EQUITY SHARE CAPITAL FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019. | | | |
| 3. | APPOINTMENT OF MR. DINESH OSWAL AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION. | | | |
| 4. | APPOINTMENT OF MR. KOMAL JAIN AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION. | | | |
| 5. | RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY. | | | |
| 6. | RE-APPOINTMENT OF MR. SATISH KUMAR SHARMA AS AN EXECUTIVE DIRECTOR OF THE COMPANY. | | | |

Place :

Date :

Signature of the Member

or

Authorised Representative

Notes :

- (I) For the Resolutions, Explanatory Statements and notes please refer to the Notice of 31st Annual General Meeting.
- (ii) If you have casted your vote by e-voting, there is no need to fill up and sign this form.
- (iii) Please read the instructions printed overleaf carefully before exercising your vote.

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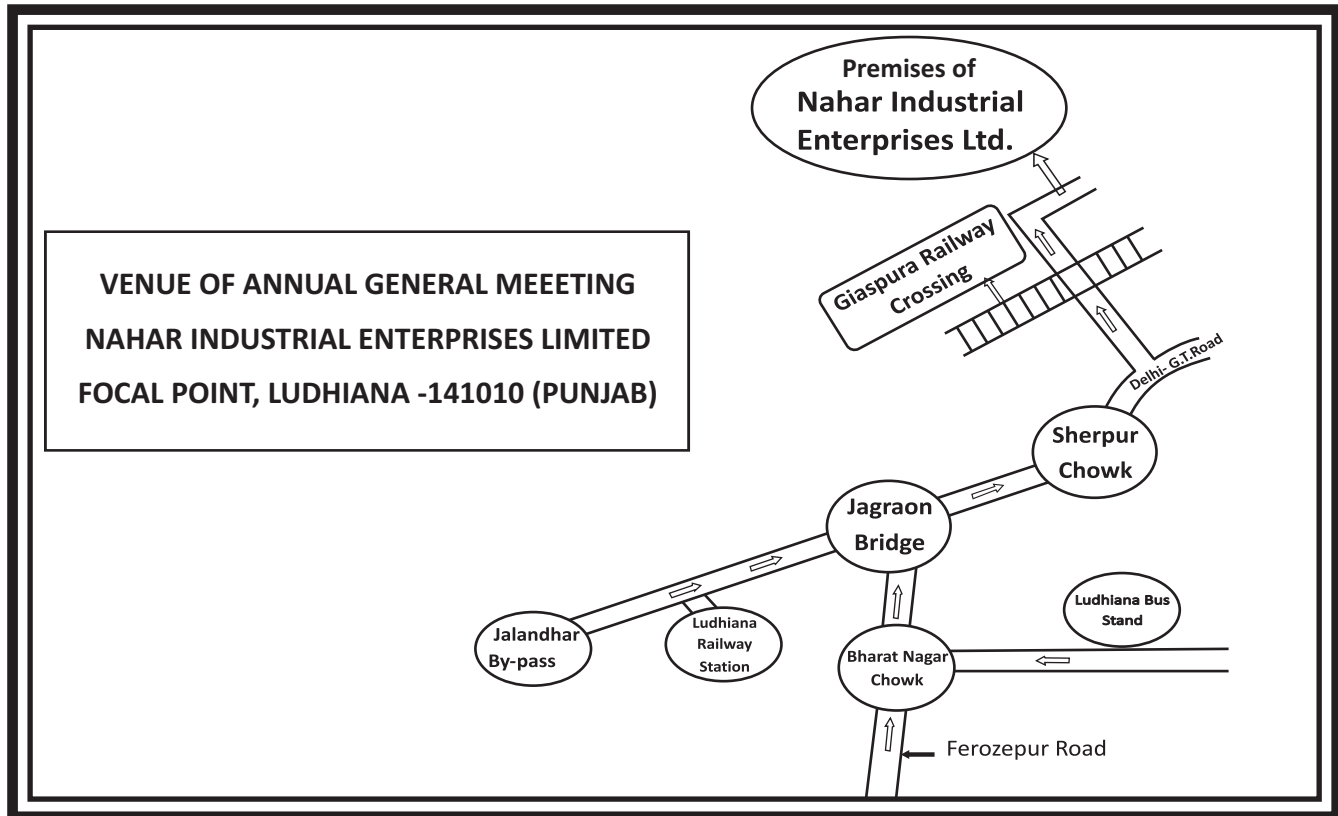
INSTRUCTIONS

1. General Instructions:

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

2. Instructions for voting physically by Ballot Form:

- a. This Form must be completed and signed by the Member who is desirous of exercising his/her vote at the 31st Annual General Meeting, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- b. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- c. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on cut off date i.e. 23rd September, 2019.
- d. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (v) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- e. Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- f. Incomplete, unsigned or incorrectly ticked Ballot Forms will be rejected.
- g. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favor or against, if any, forthwith to the Chairman of the Company.
- h. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.ownnabar.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.



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*Glimpse of CSR Project
under taken by
Oswal Foundation*



if undelivered, please return to :



Nahar

POLY FILMS LIMITED

Regd. Office : 376, Industrial Area-A,
Ludhiana 141 003

**NAHAR POLY FILMS LIMITED**

CIN: L17115PB1988PLC008820

Regd. Office: 376, Industrial Area – A, Ludhiana – 141003

Phone No.: 0161-5205700, Fax No.: 0161-2222942

E-mail: secnel@owmnahar.com Website: www.owmnahar.com**ATTENDANCE SLIP
E- VOTING PARTICULARS****31st ANNUAL GENERAL MEETING**

2019

I/we hereby record my/our presence at the **31st Annual General Meeting of the Company, to be held on Monday, the 30th day of September, 2019 at 12.30 p.m. at the premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana-141010 (Punjab).**

| | | | |
|--|--|----------------------------|--|
| DP ID | | Folio No. | |
| Client ID | | No. of Shares Held | |
| Member's/Proxy's Name in Block Letters | | Member's/Proxy's Signature | |

Note: 1. Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting venue.
2. Please read instructions given at Note No. 26 of the Notice of 31st Annual General Meeting, carefully before voting electronically.

ELECTRONIC VOTING PARTICULARS

| EVSN (E-voting Sequence Number) | User ID/Folio No./DP / Client ID | Sequence No. |
|--|---|---------------------|
| | | |

**NAHAR POLY FILMS LIMITED**

CIN: L17115PB1988PLC008820

Regd. Office: 376, Industrial Area – A, Ludhiana – 141003

Phone No.: 0161-5205700, Fax No.: 0161-2222942

E-mail: secnel@owmnaahar.com Website: www.owmnaahar.com**PROXY FORM (Form No. MGT-11)**

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

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

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

- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Monday, the 30th day of September, 2019 at 12.30 p.m. at the Premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana and at any adjournment thereof in respect of such resolutions as are indicated below:-

| Resolution No. | Resolution | 'Optional' | |
|----------------|--|------------|---------|
| | | For | Against |
| | Ordinary Business : | | |
| 1 | To adopt Financial Statements for the financial year ended 31 st March, 2019 -Standalone as well as Consolidated. | | |
| 2 | To declare dividend on Equity Share Capital for the financial year ended 31 st March, 2019. | | |
| 3 | To appoint Mr.Dinesh Oswal as a Non-Executive director liable to retire by rotation. | | |
| 4 | To appoint Mr. Komal Jain as a Non-Executive director liable to retire by rotation. | | |
| | Special Business : | | |
| 5 | To consider the ratification of remuneration of M/s Khushwinder Kumar & Associates, cost auditors of the company. | | |
| 6 | To consider the re-appointment of Mr. Satish Kumar Sharma as an Executive Director of the company. | | |

Signed this ____ day of _____, 2019 Signature of Shareholder/Proxy holder(s): _____

Affix Revenue Stamp
of Re. 1/-**Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

- For the Resolutions and Notes, please refer to the Notice of the 31st Annual General Meeting.
- *It is optional to put a (✓) in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) before submission.