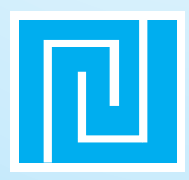




**39<sup>TH</sup>  
ANNUAL  
REPORT  
2022-23**



**NAHAR INDUSTRIAL ENTERPRISES LIMITED**



**BOARD OF DIRECTORS**

**Sh. Jawahar Lal Oswal**, Chairman  
**Sh. Kamal Oswal**, Vice Chairman-cum-Managing Director  
**Sh. Dinesh Oswal**, Director  
**Sh. Abhinav Oswal**, Executive Director  
**Sh. Dinesh Gogna**, Director  
**Sh. Navdeep Sharma**, Director  
**Dr. Suresh Kumar Singla**, Independent Director  
**Mrs. Manisha Gupta**, Independent Director  
**Dr. Roshan Lal Behl**, Independent Director  
**Sh. Parvinder Singh Pruthi**, Independent Director  
**Dr. Yash Paul Sachdeva**, Independent Director

**CHIEF FINANCIAL OFFICER**

Sh. Bharat Bhushan Gupta

**COMPANY SECRETARY**

Sh. Mukesh Sood

**AUDITORS**

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

**BANKERS**

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

**REGISTERED Office**

Focal Point, Ludhiana -141010  
Phone : 0161-5064200, 5083216 Fax : 0161-2674072  
Website: [www.ownahar.com](http://www.ownahar.com)

**CORPORATE IDENTIFICATION NUMBER (CIN): L15143PB1983PLC018321**

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## *Performance at a glance*

**(Rs. in Lacs)**

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021 -22</u>	<u>2022 -23</u>
<b>Gross sales/operating income</b>	186,616.24	157,272.70	141,802.66	200,635.85	177,387.37
<b>Exports</b>	30,486.95	21,346.86	26,966.15	48,706.55	25,678.25
<b>Net Profit</b>	(2,157.52)	(2,537.34)	(913.24)	15,681.13	7,927.04
<b>Cash Accruals</b>	6,105.96	3,851.70	4,471.24	26,539.15	15,059.67
<b>Gross Block including CWIP</b>	204,470.73	201,276.42	202,273.59	198,963.10	203,956.93
<b>Net Block including CWIP</b>	60,688.05	57,952.65	54,520.35	53,461.84	56,669.14
<b>Equity Share Capital</b>	4,003.42	4,003.42	4,003.42	4,003.42	4,340.67
<b>Net Worth</b>	69,390.03	73,466.09	73,415.03	88,831.65	95,013.62
<b>Capital Employed</b>	103,499.31	94,715.83	91,273.89	101,879.78	105,959.05
<b>Debt Equity Ratio</b>	0.33	0.20	0.95	0.79	0.29
<b>Current Ratio</b>	1.28	1.28	1.33	1.42	2.22
<b>Book Value per share (₹)</b>	174.19	184.43	184.30	222.99	219.91
<b>Earning per share (₹) [Basic]</b>	(5.42)	(6.37)	(2.29)	39.37	19.89

## *The Journey*

1983	Incorporated on 27th September, 1983.
1994	Name changed as Nahar Industrial Enterprises Ltd.
1997	Merged Nahar Fabrics Ltd. (Manufacturer of greige fabrics).
2002	Merged Oswal Cotton Mills Ltd. (Manufacturer of processed fabrics and finished garments).
2005	Merged Nahar International Ltd. (Manufacturer of yarn) and Nahar Sugar & Allied Industries Ltd. (Manufacturer of sugar).
2023	Merged Cotton County Retail Ltd.

## *For Attention of Shareholders*

- Mandatory furnishing / updating of PAN, KYC details and Nomination by holders of physical securities (Equity Shares) as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2023/37 dated March 16, 2023.
- SEBI has mandated that w.e.f. March 31, 2019 only dematerialized securities will be allowed to be transferred except for transmission or transposition of securities.
- To support the Green Initiative of Ministry of Corporate Affairs in the Corporate Governance, Shareholders are requested to register their latest Email addresses with the Depository Participants (DP) / Company / Registrar and Transfer Agent (RTA).

**NOTICE**

Notice is hereby given that the **39th Annual General Meeting** of the members of **Nahar Industrial Enterprises Limited** will be held on **Wednesday, the 27th day of September, 2023 at 12.30 p.m.** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - (a) the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2023 and the Reports of Directors and Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2023 and the Reports of Auditors thereon.
2. To appoint a director in place of Sh. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a director in place of Sh. Dinesh Oswal (DIN: 00607290), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. **To approve the remuneration of cost auditor for the financial year 2023-24** and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), M/s. R.R. & Co., Cost Accountants, Ludhiana (Firm Registration No. 000323) who has been appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost accounting records of the Company for Textile and Sugar segments for the financial year ending 31<sup>st</sup> March, 2024, the company do hereby confirm and ratify the remuneration of Rs. 270000/- (Rupees Two Lacs Seventy Thousands only) plus actual out-of-pocket expenses, as approved by the Audit Committee."

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

aforsaid resolution."

5. **To appoint Dr. Anchal Kumar Jain (DIN: 09546925) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Sections 149, 150, 152 and 164 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment & Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Articles of Association of the Company and on the recommendation of Nomination & Remuneration Committee, Dr. Anchal Kumar Jain (DIN: 09546925), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) years up to 26<sup>th</sup> September, 2028."

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

6. **To approve the amendment in the object clause of Memorandum and Association of the Company** and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT pursuant to section 4 and 13 and other applicable provisions of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) subject to the necessary approval of the statutory authorities, if any, required in this behalf, the approval of the Company be and is hereby given for effecting the following amendments in clause III of the existing Memorandum of Association, dealing with object clause of the company :-

- (i) Shifting of existing sub-clause no. 62 and 63 of Clause III (B) i.e. "Matters which are necessary for furtherance of the objects" to clause III (A) i.e.



main objects to be pursued by the Company on its Incorporation” and re-numbered as clause 8 and 9 forming part of Clause III (A) as under :-

8. To carry on all or any of the businesses of constructional engineers, architects, builders, contractors, decorators, wood workers and to acquire develop, buy, sell, real estate multistoried or other buildings and group housing schemes.

9. (a) To purchase, sell, develop, take in exchange or on lease, hire or otherwise acquire, whether for investment or sale or working the same any real or personal estate including lands, mines, building, factories, mills, houses, cottages, shops, warehouses machinery, plant, stock in trade, mineral rights concessions, privileges, licenses, easement or interest in or with respect to any property whatsoever for the purpose of the Company in consideration for a gross sum or rent or partly in one way and partly in other or for any other consideration.

(b) To carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suites and residential for business quarters.

(c) To establish, develop, maintain, control and manage industrial park, industrial estate, industrial area and information technology park whether itself or in collaboration or in joint venture or with assistance of any other person or persons whether domestic or foreign, and to create necessary infrastructure for setting up of an industrial park, industrial estate, industrial area and information technology park such as development of land, laying of roads, construction of buildings, both industrial and residential, and to create and provide all allied facilities for the industries to be established in the said industrial park, industrial estate, industrial area and information technology park.

(ii) insertion of new sub-clause numbered as sub clause 9 (d) in clause III (A) of Main Objects ;-

9 (d) To carry on the business such as developers, builders, contractors, estate agents, commission agent, to purchase, immovable property, any land, to construct, develop any type of residential flats, houses, apartments, bungalows, colonies, residential townships, commercial buildings, multistoried buildings, shopping center, markets, cinemas, hotels, hospitals, schools, warehouses, logistic park other real estate, infrastructural facilities or any right or interest therein either singly or jointly or in partnership with any person(s) or body corporate or any other person, to buy, develop, sell or let on lease, to divide the land into suitable plots, industrial, residential, institutional and commercial, to realize the money in lump sum, easy installments or otherwise and giving it away or parting away the possession of the same in full or in parts on such terms and conditions as may be considered necessary.

"RESOLVED FURTHER THAT board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**By Order of the Board of Directors**

**Sd/-**

**Place : Ludhiana**

**Mukesh Sood**

**Date : 14<sup>th</sup> August, 2023**

**Company Secretary**

**NOTES:**

1. Pursuant to General Circulars 20/2020 dated 05.05.2020; 19/2021 dated 18.12.2021 and 2/2022 dated 05.05.2022, the latest being 10/2022 dated 28.12.2022, read with other circulars issued by the Ministry of Corporate Affairs (MCA) (collectively referred to as MCA Circulars), and in line with the Circulars issued by the Securities and Exchange Board of India (SEBI) from time to time, the Company is convening the AGM through VC/OAVM, without the physical presence of the Members. Pursuant to the



said circulars of MCA and other circulars of SEBI and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the 39th AGM of the Company shall be conducted through VC/ OAVM. Central Depository Services (India) Limited ('CSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC/ OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 17.

2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the notice.
3. The information required to be provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards, regarding the Directors who are proposed to be appointed/ re-appointed is given in the Explanatory Statement and forms part of the notice.
4. Since the physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Attendance Slip, Route Map and Proxy Form are not annexed to this Notice. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
5. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM and Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company /RTA/Depositories. Members may note that the Notice will also be available on the Company's website at [www.owmnaahar.com](http://www.owmnaahar.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on website of the e-voting agency i.e. Central Depository Services (India) Limited at [www.evotingindia.com](http://www.evotingindia.com)
6. For the purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the email address is not registered with the respective DPs / Company / RTA, we urge members to support the Green Initiative of the Government of India (GOI) by choosing to receive the communication from the Company through email.
7. **Mandatory furnishing/ updating of PAN, KYC details and Nomination by holders of physical securities (Equity Shares)**

Sr. No.	Particulars	Details of documents that are to be submitted	
1.	PAN	For registration / updation PAN, Bank Details, Address, Email,	PAN shall be valid only if it is linked to Aadhaar .
2.	Bank Details	Mobile Number or Signatures,	In case it is not provided, the details available in the Client Master List ("CML") will be updated in the Folio.
3.	Mobile Number	please provide the details in the prescribed Form ISR-1, available at	
4.	Email-ID	<a href="http://www.owmnaahar.com/nahar_ie/kyc_updation.php">http://www.owmnaahar.com/nahar_ie/kyc_updation.php</a> along with	
5.	Address	related documents as stated therein, self-attested by the shareholder(s).	
6.	Signatures		
7.	Confirmation of signatures	Please provide details in Form ISR-2, available at <a href="http://www.owmnaahar.com/nahar_ie/kyc_updation.php">http://www.owmnaahar.com/nahar_ie/kyc_updation.php</a> along with self-attested original cancelled cheque with name of the security holder printed on it / Bank passbook/ Bank statement attested by the Bank and Banker's attestation of the signatures.	
8.	Nomination	Please provide duly completed prescribed forms as applicable:- - Form SH-13 – For registration of Nomination; - Form ISR-3 – Declaration for opting out from Nomination; - For cancellation of existing nomination in Forms SH -14 and ISR-3; - For change in existing nomination in Form SH -14 available at <a href="http://www.owmnaahar.com/nahar_ie/kyc_updation.php">http://www.owmnaahar.com/nahar_ie/kyc_updation.php</a>	

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2023/37 dated March 16, 2023 has mandated for furnishing/updating PAN, KYC details (Address, Mobile No., E-mail ID, Bank Details) and Nomination details by all the holders of physical securities in listed company. Therefore, you are requested to note the following and provide the desired information:

**Consequences of not adhering to the said norms would lead to freezing of Folios without PAN, KYC details and Nomination, as per the SEBI Circulars:**

1. The Registrar & Transfer Agent (RTA) / Company shall not process any service requests or complaints received from the holder(s)/ claimant(s), till PAN, Nomination, Contact details, Bank Account details and Specimen Signatures are registered.
2. The folios wherein any one of the said documents/details are not available **on or after October 1, 2023, shall be frozen by RTA.** The securities in the frozen folios shall be eligible to lodge grievance or avail service request from the RTA and shall be eligible for any payment including dividend etc. only through electronic mode only after furnishing the complete documents/ details, as aforesaid.
3. From April 01, 2024 any payment including dividend in respect of such frozen folios shall be made only through electronic mode. No physical dividend warrants will be issued.
4. **The Frozen folios shall be referred by the RTA/ Listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.**



5. The Security holder / claimant may provide the documents / details to the RTA for various service requests by way of 'In person verification' (IPV) or post or electronic mode with e-sign; unless otherwise prescribed in the Companies Act, 2013 or the Rules issued there under or in SEBI Regulations or Circulars issued there under.
- The shareholders are requested to forward the duly filled in documents along with the related proofs as mentioned above to the **Company at its Registered Office or Registrar and Transfer Agent** at the below mentioned address at the earliest:
- M/s. Alankit Assignments Ltd**  
**(Unit: Nahar Industrial Enterprises Ltd.)**  
**Alankit Height, 1E/13, Jhandewalan**  
**Extension, NEW DELHI-110055**  
**Telephone No : (011) 42541234**  
**E-mail Address : rta@alankit.com**
- Further, as an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has decided that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for: 1. Issue of duplicate securities certificate; 2. Claim from Unclaimed Suspense Account; 3. Renewal / Exchange of securities certificate; 4. Endorsement; 5. Sub-division /Splitting of securities certificate; 6. Consolidation of securities certificates/folios; 7. Transmission; 8. Transposition.
- Therefore, the shareholders are requested to get the shares dematerialised at the earliest.
8. Institutional / Corporate members 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.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from 21st September, 2023 to 27th September, 2023 (both days inclusive) for the purpose of AGM.
10. The documents referred to in the Explanatory Statement are open for inspection at the registered office of the Company on any working day (except Saturday and Holiday) between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
11. Members are informed to send all documents and communications pertaining to equity shares to M/s. Alankit Assignments Limited, RTA Division, Alankit House, 1E/13, Jhandewalan Extension, New Delhi - 110055, Registrar & Transfer Agent (RTA) for both physical and dematerialized segment of equity shares. Please quote on all correspondence – Unit: Nahar Industrial Enterprises Limited.
12. **Pursuant to provisions of section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (the IEPF Rules), all shares in respect of which dividend has not been claimed by the shareholders of the Company for seven consecutive years, have already been transferred by the Company in the name of INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY, MINISTRY OF CORPORATE AFFAIRS. Members are hereby informed to claim the unclaimed / unpaid dividend relating to 2015-16 and 2016-17 at the earliest by complying with the formalities mentioned at Note No. 7 hereinabove as the same is due to be transferred to the IEPF from November, 2023 onwards.**
13. Members seeking any information with regard to the accounts at the time of the meeting are requested to write to the Company at least 10 days before the date of the meeting so as to enable the management to keep the relevant information ready.
14. **DEMATERIALIZATION OF SHARES:** SEBI vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that with effect from April 1, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In light of same shareholders holding equity shares in physical form are requested to convert their physical shares in Dematerialized form to avoid hassle in transfer of shares.
15. **CONSOLIDATION OF MULTIPLE FOLIOS:** Members holding more than one share in the same name or joint names in the same order but under different ledger folios are requested to apply for consolidation of such folios into a single folio and accordingly send a request letter duly signed by the shareholder and the relevant share certificates along with the self attested copy of PAN card and Aadhaar card to the Registrars and Share Transfer Agent (RTA) of the Company /Company at its Registered Office, to enable them to consolidate all such multiple folios into one single folio.
16. M/s. P.S.Bathla & Associates, Company Secretaries (Membership No. FCS-4391) has been appointed as the Scrutinizer for conducting the Remote e-voting



process in a fair and transparent manner.

**17. Procedure for remote e-voting, attending the AGM and e-voting during the AGM:**

i) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

ii) In terms of **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page

Demat mode with CDSL	<p>without any further authentication. The URLs for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest, user will be able to see the e-Voting Menu. On clicking the voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://www.cdslindia.com/myeasi/Registration/EasiRegistration">https://www.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and able to directly access the system of all e-voting service provider.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e- Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select</p>





	<p>"Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**A. Procedure and instructions for remote e-voting:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and applicable provisions of SS-2 issued by ICSI, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 39th Annual General Meeting of the Company.
- II. The Annual Report is being sent by E-mail to those members who have registered their E-mail address with the Company/ Depository Participants.
- III. The instructions of shareholders for e-voting and joining virtual meetings are as under:
 

Step 1: Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

  - (i) The voting period begins on 24.09.2023 (09.00 a.m.) and ends on 26.09.2023 (05.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20.09.2023 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](http://www.evotingindia.com) during the voting period.
  - (iv) Click on "Shareholders" module.
  - (v) Now Enter your User ID
    - a) For CDSL: 16 digits beneficiary ID,
    - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

Or

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or call at Toll free No. 1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll free No. 18001020990 and 1800224430



<https://www.cdslindia.com> from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST eservices, click on e-Voting option and proceed directly to cast your vote electronically.

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

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by

the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVSN 230819021** for the relevant **NAHAR INDUSTRIAL ENTERPRISES LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option 'YES' or 'NO' as desired. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Note for Non-individual Shareholders and Custodian:-
  - Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com)
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the Email id i.e. share@owmnahar.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

- i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the

CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.

- ii) The participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective Network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number along with their queries at Email id i.e. share@owmnahar.com up to 20.09.2023. Those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting. These queries will be replied to by the company suitably by email.
- iv) Members are requested to not to share the Login details (User Id & Password) with any person and keep the same confidential with you only. Sharing of Login details is absolutely prohibited. Please note that the Members who do not have the User ID and Password for attending AGM through VC/OAVM and e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned herein.
- v) For convenience of the Members and proper conduct of AGM, Members are requested to login and join at least 15 (fifteen) minutes before the time scheduled for the AGM i.e. 12.15 p.m. IST. The link for joining the AGM shall be kept open until 1.00 p.m. IST i.e. 30 minutes after the start of AGM.
- vi) Any person who acquires shares of the Company and becomes the member of the Company after



sending of this Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he/she can use his /her existing user id and password.

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

- i) The procedure to be followed for e-voting on the day of the AGM will be the same as mentioned above for remote e-voting.
  - ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
  - iii) Only those Members, who are present at the AGM through VC /OAVM and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting during the AGM.
  - iv) If any votes are cast by the Members through the e-voting facility available during the AGM and if the said Members have not participated in the AGM through VC / OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the AGM is available only to the Members attending AGM.
  - v) Shareholders who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- IV. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-voting system, you can write an email to helpdesk.evoting@cdslindia.com or contact at Toll Free No. 1800225533.
- V. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A- Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at Toll free No. 1800225533.
- VI. A copy of this notice has been placed on the website of the Company and the website of CDSL.

**D. General Instructions**

- i) The voting rights of Members shall be in

proportion to the shares held by them in the paid up equity share capital of the Company as on the cut-off date (record date) of 20.09.2023.

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

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

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

**Item No. 4**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. R.R. & Co., Cost Accountants, Ludhiana as Cost Auditors to conduct the audit of the cost accounting records of Textile and Sugar segments of the Company for the financial year ending 31.3.2024 at such remuneration, as mentioned in the resolution.

In accordance with the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31.3.2024.

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

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

**Item No. 5**

The Board, based on the recommendation of Nomination & Remuneration Committee, and its meeting held on 14.08.2023 recommended to the shareholders, the



appointment of Dr. Anchal Kumar Jain (DIN: 09546925) as an Independent Director of the Company w.e.f. 27<sup>th</sup> September, 2023 for a period of 5 (five) years, pursuant to the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. Anchal Kumar Jain (DIN: 09546925) is 64 years of age. He has done B.Tech, M.Tech & P.h.D. and having more than 38 years experience in Teaching. He has retired as Professor and Head (Soil and Water Engineering) from Punjab Agricultural University, Ludhiana. He was awarded 'Noble Citizen Award' in 2020. He was awarded 'Team Award' and 'Commendation Medal' from Indian Society of Agricultural Engineers for outstanding Contributions to research in soil and water engineering. Presently, he is serving as Professor at Lovely Professional University, Phagwara (Punjab).

As identified by the Nomination & Remuneration Committee, the role of independent director requires various skills and capabilities i.e. Leadership Skills, Managerial and Entrepreneurial Skills, Understanding of relevant laws, rules, regulations and policies, financial knowledge, policy shaping, corporate governance etc. Dr. Anchal Kumar Jain meets these requirements of skills and capabilities. Having regard to his vast expertise and knowledge, it will be in the interest of the Company to appoint him as an Independent Director of the Company.

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

In the opinion of the Board, Dr. Anchal Kumar Jain fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He is independent of Management and possesses appropriate skills, experience and knowledge.

The company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing the candidature of Dr. Anchal Kumar Jain (DIN: 09546925) for the office of Independent Director of the Company. Copy of the notice is available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any

working day and is also available on the Company's website i.e. www.owmnaahar.com.

Dr. Anchal Kumar Jain does not hold any shares in the Company, by himself or for any other person on a beneficial basis.

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

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

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

#### **Item No. 6**

The Company is having surplus land at Ludhiana and other locations. To make use of the best available opportunities, the Company is developing logistic park at Focal Point, Ludhiana and also proposes to develop land situated at Mundian Kalan at Ludhiana in phased manner, for industrial, residential, institutional and commercial purposes for which necessary approvals have obtained. The Company is also planning to develop logistic park at Kolkata in near future.

Therefore it is considered thought fit and appropriate, to make suitable amendments in the clause III of the Memorandum of Association of the Company, to reflect the proposed business activities of the company and proposed to shift object clauses No. 62 and 63 under sub.heading III (B) i.e. "Matters which are necessary for furtherance of the objects" and insert new sub-clause 9 (d) as proposed in the resolution to Cause III (A) i.e. "main objects to be pursued by the Company on its Incorporation" so as to align the same with the requirement of the Companies Act, 2013. The renumbering of Clauses III (A) and III (B) of Memorandum of Association is a consequential act due to shifting of clauses No. 62 and 63 and insertion of new sub-clause. Accordingly Clause 62 and 63 of III (B) shall be inserted as Clause 8 and 9 of object clause III (A) and existing clause no. 64 to 71 be renumbered as 62 to 69 of clause III (B).

The Shareholders of the Company had given their approval on 31.10.2006 under section 149 (2A) of the Companies Act, 1956 for commencement of business as stated in clause 33 & 34 of Clause III (C) of the Object



Clause of the Memorandum of Association of the Company and also approved the alteration of Object Clause of Memorandum of Association of the Company on 30.03.2015. As per the relevant provisions of the Companies Act, 2013, the object clause of a Company is required to state the objects for which the Company is incorporated and any other matter considered necessary in furtherance thereof. The approval of shareholders of the Company is required by way of a special resolution for the proposed alteration/ insertion/amendment in the Memorandum of Association of the Company. The Board recommends the passing of Special Resolution set out at item No. 6 of the Notice for approval of the members.

A copy of the existing Memorandum of Association and

proposed Memorandum of Association would be available for inspection by the members at the registered office of the company during normal business hours on any working day between 2.00 p.m. to 4.00 p.m. excluding Saturday.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned to interested, financially or otherwise, in the proposed resolution set out at Item No. 6 of the Notice.

**By Order of the Board of Directors**

sd/-

**Place : Ludhiana**

**Mukesh Sood**

**Date : 14<sup>th</sup> August, 2023**

**Company Secretary**

## ANNEXURE TO THE NOTICE

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

Name of Director, Designation and Brief Resume	Nature of Expertise in Specific Functional Areas	Details of Directorships and Committee positions in various companies			Share-holding in the company	Relation-ship between Directors inter-se	Terms and Conditions of Appointment	Other Details
		Directorships	Committees	Status				
<b>Sh. Jawahar Lal Oswal</b> (DIN: 00463866)  Promoter Director  Age: 80 years  Qualification: Commerce Graduate	60 years of experience in textile Industry	Oswal Woollen Mills Ltd.	CSR Shareholders	Chairman Chairman	1000	Relative of Sh. Kamal Oswal, Sh.Dinesh Oswal and Sh. Abhinav Oswal	Liabe to retire by rotation  Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : 14.10.1991  Remuneration last drawn : Sitting Fee @ Rs. 10,000/- per Board meeting.  No. of Board meetings attended during last year : 6 (six)
		Monte Carlo Fashions Ltd.	CSR Share Transfer	Chairman Chairman				
		Nahar Poly Films Ltd.	---	---				
		Nahar Capital & Financial Services Ltd.	---	---				
		Nahar Industrial Enterprises Ltd.	---	---				
		Nahar Spinning Mills Ltd.	---	---				
		Nagdevi Trading & Investment Co. Ltd.	---	---				
		Sankheshwar Holding Co. Ltd.	---	---				
		Monte Carlo Home Textiles Ltd.	---	---				
		Crownstar Ltd. UK	---	---				
		Abhilash Growth Fund Pvt. Ltd.	CSR	Chairman				
		Palam Motels Ltd.	---	---				

**NAHAR INDUSTRIAL ENTERPRISES LIMITED**

Annual Report 2022-23

Name of Director, Designation and Brief Resume	Nature of Expertise in Specific Functional Areas	Details of Directorships and Committee positions in various companies			Share-holding in the company	Relation-ship between Directors inter-se	Terms and Conditions of Appointment	Other Details
		Directorships	Committees	Status				
<b>Sh. Dinesh Oswal</b> (DIN: 00607290)  Promoter Director  Age: 57 years  Qualification: Commerce Graduate	37 years of experience in textile Industry	Nahar Spinning Mills Ltd.	Share Transfer CSR	Chairman Chairman	1000	Relative of Sh. Jawahar Lal Oswal and Sh. Kamal Oswal	Liable to retire by rotation  Sitting Fees to be paid for attending Meetings of the Board	Date of first appointment on the Board : 15.12.1988  Remuneration last drawn : Sitting Fee @ Rs. 10,000/- per Board meeting.  No. of Board meetings attended during last year : 6 (six)
		Nahar Poly Films Ltd.	Share Transfer CSR	Chairman Chairman				
		Nahar Capital & Financial Services Ltd.	Share Transfer CSR	Chairman Chairman				
		Nahar Industrial Infrastructure Corpn. Ltd.	---	---				
		Oswal Woollen Mills Ltd.	---	---				
		Nahar Industrial Enterprises Ltd.	---	---				
		Crownstar Ltd. UK	---	---				
		Abhilash Growth Fund Pvt. Ltd.	---	---				
		Sankheshwar Holding Co. Ltd.	---	---				
<b>Dr. Anchal Kumar Jain</b> (DIN: 09546925)  Independent Director  Age: 64 years  Qualification : B.Tech, M.Tech and Ph.D.	More than 38 years of experience in the field of academics.	Nahar Poly Films Ltd.	Nomination & Remuneration	Member	Nil	Nil	Not liable to retire by rotation.  Sitting Fees to be paid for attending Meetings of the Board	
		Nahar Spinning Mills Ltd.	Audit Nomination & Remuneration	Member Member				

By Order of the Board of Directors

sd/-

 Place : Ludhiana  
 Date : 14<sup>th</sup> August, 2023

**Mukesh Sood**  
 Company Secretary



**DIRECTORS REPORT**

Dear Members,

Your directors have pleasure in presenting their 39th Annual Report together with the audited financial statements for the financial the year ended 31st March, 2023.

**1. FINANCIAL RESULTS**

The Company's financial performance for the year ended 31st March, 2023 is summarized below:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue from operations</b>	<b>177,387.37</b>	<b>200,635.85</b>	<b>177,387.37</b>	<b>200,635.85</b>
<b>Profits/(Loss) Before Depreciation, Finance Cost and Tax</b>	<b>18,825.79</b>	<b>32,098.09</b>	<b>18,825.79</b>	<b>32,098.09</b>
Less: Depreciation	4,833.50	4,983.81	4,833.50	4,983.81
Less: Finance Cost	3,766.12	5,558.94	3,766.12	5,558.94
<b>Profit/(Loss) Before Tax</b>	<b>10,226.17</b>	<b>21,555.34</b>	<b>10,226.17</b>	<b>21,555.34</b>
Less: CSR expenses u/s 135 of Companies Act, 2013	116.09	--	116.09	--
Add : Share of Profit/(Loss) of Associates	--	--	(34.12)	33.28
<b>Profit/(Loss) Before Tax</b>	<b>10,110.08</b>	<b>21,555.34</b>	<b>10,075.96</b>	<b>21,588.62</b>
Less: Tax Expense				
(i) Current Tax	1,860.00	3,880.12	1,871.30	3,892.68
(ii) Deferred Tax	323.04	1,994.09	312.46	1,998.91
<b>Profit/(Loss) After Tax for the period</b>	<b>7,927.04</b>	<b>15,681.13</b>	<b>7,892.20</b>	<b>15,697.03</b>
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
i) Re-measurement gains/ (losses) on defined benefit plans	83.39	(357.59)	83.39	(357.59)
Income tax effect on the same	(20.99)	90.00	(20.99)	90.00
ii) Net gain / (loss) on FVOCI equity instruments	(1.78)	3.08	(1.78)	3.08
Income tax effect on the above	---	--	--	--
<b>Total Comprehensive Income for the period</b>	<b>7,987.66</b>	<b>15,416.62</b>	<b>7,952.82</b>	<b>15,432.52</b>

**2. PERFORMANCE REVIEW**

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

- i) **Textile:** The textile division accounts for 88.60% (including inter-segment) of the total turnover of the company for the year ended 31st March, 2023. The Business wise performance of this segment is as under:
  - a. **Yarn:** The Company has produced 39245 MTs of yarn as against 60408 MTs in the previous year.
  - b. **Fabric:** The Company has produced 504.93 lacs meters of fabrics (both grey and processed) as against 572.45 lacs meters in the previous year.

The total turnover of this segment (Yarns and

Fabrics) has decreased to Rs. 1562.83 crores as against Rs. 1865.41 crores in the previous year showing a decrease of 16.22 %.

- ii) **Sugar:** The Company has produced 4,31,230 Qtls. of sugar as against 4,12,630 Qtls. in the previous year at a Recovery rate of 10.00% (previous year 9.83%).

The total turnover of this segment has increased to Rs. 205.61 crores as against Rs. 123.73 crores in the previous year showing an increase of 66.17%.

**Overall Performance (Standalone/Consolidated)**

We wish to inform you that during the year under review on standalone basis, the company has achieved operational income of Rs. 1773.87 crores as against Rs. 2006.36 crores showing a decrease of 11.59% over the previous year. The company has





earned Profit before depreciation, finance cost and tax of Rs. 188.26 crores as against Rs. 320.98 crores in the previous year. After providing for Depreciation of Rs. 48.33 crores (previous year Rs. 49.84 crores), finance cost of Rs. 37.66 crores (previous year Rs. 55.59 crores) and Tax Expenses of Rs. 21.83 crores (previous year Rs. 58.74 crores) (inclusive of Deferred Tax) the Profit after tax for the year comes to Rs. 79.27 crores as against Profit of Rs. 156.81 crores in the previous year.

We wish to inform you that during the year under review on consolidated basis, the company has achieved operational income of Rs. 1773.87 crores as against Rs. 2006.36 crores showing a decrease of 11.59% over the previous year. The company has earned Profit before depreciation, finance cost and tax of Rs. 188.26 crores as against Rs. 320.98 crores in the previous year. After providing for Depreciation of Rs. 48.33 crores (previous year Rs. 49.84 crores), finance cost of Rs. 37.66 crores (previous year Rs. 55.59 crores), Share of Profit/(Loss) of Associates of Rs. (34.12) lacs (previous year Rs. 33.28 lacs) and Tax Expenses of Rs. 21.84 crores (previous year Rs. 58.92 crores) (inclusive of Deferred Tax) the Profit after tax for the year comes to Rs. 78.92 crores as against Profit of Rs. 156.97 crores in the previous year.

During Financial year 2022-23 an uncertain business environment prevailed in the Textile industry and it continues into the current financial year too. The subdued demand of textile products is a major concern for textile industry and this would affect the performance of the Company.

### **3. AMALGAMATION**

The Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh has sanctioned the Scheme of Arrangement for Amalgamation of Cotton County Retail Limited (Transferor Company) with Nahar Industrial Enterprises Limited (Transferee Company) and their respective shareholders and creditors vide its Order dated 21.02.2023. The Scheme becomes effective upon the filing of certified copy of the NCLT Order with Registrar of Companies, Chandigarh on 18.03.2023. Consequent to amalgamation, the Transferor Company ceased to be the Associate of the Company.

### **4. TRANSFER TO RESERVES**

Your company has transferred Rs. 7987.66 lacs [previous year Rs. 15416.62 lacs] to the General Reserves and thus company's Reserves (Other Equity) stand increased to Rs. 90673.15 lacs as on 31.03.2023 as against Rs. 84828.23 lacs as on

31.03.2022.

### **5. CREDIT RATING**

During the year, the Rating agency CRISIL Limited vide its letter dated April 10, 2023 has accorded the Long Term Rating of total bank loans facilities 'CRISIL A-/Stable' and Short Term Rating 'CRISILA2+'.

### **6. DIVIDEND**

In order to retain the profits of the company, your directors do not recommend any dividend for the financial year ended on 31st March, 2023. The requirement of formulating a Dividend Distribution Policy as per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company.

### **7. INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the applicable provisions of the Companies Act 2013 and rules framed there under, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid account is required to be transferred to Investor Education and Protection Fund (IEPF) of the Central Government. The Company has already transferred the amount of unclaimed dividend for the year 2013-14 to the IEPF. Members who have not yet en-cashed or claimed the dividends for the year 2015-16 and 2016-17 are requested to refer to Note No. 7 of the Notice of AGM for updating the KYC details at the earliest and for claiming the dividend relating to aforesaid two years.

In terms of the requirements of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('the Rules') the Company is required to transmit the Shares in respect of which the dividend has remained unpaid or unclaimed for a period of seven consecutive years to the IEPF Account. Members are requested to take note of the same and claim their unclaimed dividend immediately to avoid transmission of the underlying shares to IEPF Account. The shares transmitted to the IEPF Account can be claimed back by the concerned members from the IEPF authority after complying with the procedure prescribed under the rules.

### **8. SHARE CAPITAL**

Pursuant to the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Chandigarh the Authorized capital of Cotton County Retail Limited has been merged with the Company. Accordingly the authorized Capital of the Company



stands increased to Rs. 205,50,00,000/- divided into 10,00,00,000 equity shares of Rs. 10/- each and 1,05,50,000 - 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of the face value of Rs. 100/- each (Preference Shares). The Company allotted 33,70,440 fully paid-up Equity Shares of Rs. 10/- each to the eligible shareholders of the Transferor Company. 76,20,000 Preference Shares held by the Transferor Company in the Transferee Company stands extinguished. 1,02,28,441 Equity Shares of Rs. 10/- each of the Transferor Company held by the Transferee Company stands cancelled. The paid up Share Capital of the Company as at 31<sup>st</sup> March, 2023 was Rs. 83,20,55,810/- consisting of Equity Share Capital of Rs. 43,20,55,810/- divided into 4,32,05,581 Equity Shares of the face value of Rs. 10/- each and Preference Share Capital of Rs. 40,00,00,000/- divided into 40,00,000 – 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of the face value of Rs. 100/- each (Preference Shares).

During the year the Company has not issued any shares with differential voting right nor has granted any stock options or sweat equity. As on 31<sup>st</sup> March, 2023 none of the Promoters / Directors of the Company hold instruments convertible into equity shares of the Company.

## **9. DEPOSITS**

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

## **10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY**

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

## **11. MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY**

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

## **12. DIRECTORS**

### **Appointment and change in Directors**

- In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association Sh. Jawahar Lal Oswal

(DIN: 00463866) and Sh. Dinesh Oswal (DIN: 00607290), Directors of the Company will be retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. Accordingly, the requisite resolution(s) are proposed at the ensuing Annual General Meeting for approval.

- During the Current year, Sh. Ved Parkash Gaur (DIN: 02439897), Independent Director of the Company, resigned from the Directorship of the Company with effect from 15.07.2023. As such he ceased to be director of the Company and Chairperson/ Member of the Committees of the Board of Directors. The board places on record its appreciation for the valuable contribution received from him during his tenure with the company as an Independent Director.
- Pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and Companies (Appointment & Qualifications of Directors) Rules, 2014, the Company has proposed the appointment of Dr. Anchal Kumar Jain (DIN: 09546925) as an Independent Director of the company in the meeting of board of directors held on 14.08.2023 for a term of 5 (five) years i.e. upto 26.09.2028. Brief profile of Dr. Anchal Kumar Jain is given in the Explanatory Statement attached to this Notice.

### **Declaration by Independent Directors**

Necessary declaration has been obtained from all Independent Directors under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

### **Number of Meetings of the Board**

During the year six Board Meetings were convened and held on 11.04.2022, 14.05.2022, 30.07.2022, 07.11.2022, 08.02.2023 and 30.03.2023. The detail thereof is also given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### **Board Evaluation**

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has devised a policy for performance evaluation of the board, its committees and all the Directors individually as per the criteria laid down by the Nomination &



Remuneration Committee of the Company. The manner of evaluation is stated in the Corporate Governance Report forming an integral part of this report.

**Independent Directors Meeting**

During the financial year 2022-23, the Independent Directors met on 17.12.2022, inter-alia, to discuss:-

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

**13. DIRECTORS RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the Annual Accounts for the year ended on 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for the year ended on that date;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that annual accounts have been prepared on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all

applicable laws and that such systems were adequate and operating effectively.

**14. ANNUAL RETURN**

The web-link for the Annual Return for the financial year 2022-23 in the Form MGT-7 is placed on the Company's website at [http://www.owmnahar.com/nahar\\_ie/pdf/annual-return-2022-23.pdf](http://www.owmnahar.com/nahar_ie/pdf/annual-return-2022-23.pdf)

**15. RELATED PARTY TRANSACTIONS**

During the financial year under review, all transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are in the ordinary course of business and at arm's length basis. The company has not entered into any contract or arrangement with related parties / Group companies other than arm's length price. The details of Related Party Transactions are placed before the Audit Committee for its review and approval on quarterly basis. These transactions were entered into as per the Company's policy on Related Party Transactions and are approved by the Audit Committee, Board and shareholders. The company's policy on Related Party Transactions is available at the web link: [www.owmnahar.com/nahar\\_ie/pdf/RPT\\_Policy.pdf](http://www.owmnahar.com/nahar_ie/pdf/RPT_Policy.pdf). The details of Related Parties transactions are given in Note No. 39 of the Notes to Financial Statements. Pursuant to the provisions of section 134(3) Form AOC-2 is annexed herewith as **Annexure-A**.

**16. AUDIT COMMITTEE**

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

**17. NOMINATION & REMUNERATION COMMITTEE**

The Company has constituted a Nomination & Remuneration Committee pursuant to Section 178(1) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, since Sh. Ved Parkash Gaur resigned as an Independent Director of the company, he also ceased to be the Chairman of the Nomination & Remuneration Committee. The Board of



Directors in its meeting held on 14.08.2023 reconstituted the Nomination & Remuneration Committee with the induction of Dr. Yash Paul Sachdeva as the Chairman of the Committee. Presently, the Nomination & Remuneration Committee consists of Dr. Suresh Kumar Singla and Dr. Roshan Lal Behl as Members and Dr. Yash Paul Sachdeva is the Chairman of the Nomination & Remuneration Committee. The detailed information regarding Nomination & Remuneration Committee and its terms of reference is given in Corporate Governance Report forming an integral part of the Directors Report.

#### **18. RISK MANAGEMENT**

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

#### **19. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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

#### **20. INDIAN ACCOUNTING STANDARD (IND AS) AND INTERNAL FINANCIAL CONTROL**

The Indian Accounting Standard (Ind AS) became applicable on the Company w.e.f. 1st April, 2016. Accordingly, the Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company is having adequate internal financial control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures optimal utilization and protection of Company's resources. The Internal Auditor monitors and evaluates the efficiency and adequacy of internal control systems in the company, its compliance with operating systems, accounting

procedures and also ensures that the internal control systems are properly followed by all concerned departments of the company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

#### **21. COMPLIANCE WITH SECRETARIAL STANDARDS**

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

#### **22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

##### **Other Information(s)**

M/s MNP Cotex, prop. Vipin Garg and Picadily Sugar and allied Industries Limited had filed application under section 9 of Insolvency and Bankruptcy Code, 2016. These cases are pending for adjudication.

During the financial year 2022-23 there is no instance that the Company has made any one time settlement with Banks or Financial Institutions.

#### **23. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a Corporate Social Responsibility (CSR) Committee of the board in accordance with section 135 of the Companies Act, 2013. The Company has adopted a CSR Policy and undertaking CSR programmes/ projects along with group companies under one umbrella through Oswal Foundation (OSF) which is a registered society formed in 2006 having its charitable objects in various fields and registered with MCA vide registration No. CSR00000145.

The CSR policy of the company has been placed on the Company's website at web-link [www.ownahar.com/nahar\\_ie/pdf/CSR\\_Policy\\_NIEL.pdf](http://www.ownahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf). The report on CSR activities as required under the Companies (Corporate Social Responsibility) Rules, 2014 including brief outline of the Company's CSR policy is annexed herewith marked as **Annexure-B**. During the year, a meeting of CSR committee was held on 30.03.2023 and all the members were present in the meeting.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, for the financial year 2022-23 there is a CSR liability of Rs. 1,16,08,827/- on the Company for spending CSR expenses. The company has made compliance of the applicable provisions of the CSR obligation for the year.

**24. NOMINATION & REMUNERATION POLICY**

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

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

The shareholders at their 38<sup>th</sup> Annual General Meeting (AGM) held on 26th September, 2022 had already approved the appointment of M/s. K.R. Aggarwal & Associates, Chartered Accountants, (Firm Registration No. 030088N) as statutory auditors of the Company, to hold office from the conclusion of 38th AGM up to the conclusion of 43rd AGM to be held in the year 2027. The Auditors Report on the accounts of the Company for the financial year 2022-23 is self-explanatory and requires no comments. No frauds were reported by the auditors under section 143 (12) of the Companies Act, 2013.

**ii) Cost Auditor & Cost Audit Report**

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its textiles and sugar segments are required to be audited. The Company has maintained accounts and cost records with respect to Textile and Sugar business as specified by the Government under Section 148(1) of the Companies Act, 2013. The cost audit report in Form CRA-4 for the financial year 2021-22 was filed with the Ministry of Corporate Affairs on 19.01.2023. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. R.R. & Co., Cost Accountants, Ludhiana to audit the cost accounts of the Company for the financial year 2023-24. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. R.R. & Co., Cost

Accountants, is included in the Notice convening the Annual General Meeting.

**iii) Secretarial Audit & Secretarial Audit Report**

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

**26. KEY MANAGERIAL PERSONNEL**

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

**27. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended up to date) in respect of employees of the Company, forming part of the Directors' Report for the year ended 31st March, 2023 is given in **Annexure-D** to this Report.

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

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

**29. CORPORATE GOVERNANCE REPORT**

Your Company continues to follow the principles of good corporate governance. The corporate governance report along with Auditor's certificate regarding compliance of the conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming compliance is annexed herewith as **Annexure-F** and forms part of this Report.

**30. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

As per Regulation 34(2)(f) of the SEBI (Listing



Obligations and Disclosure Requirements) Regulations, 2015, the submission of Business Responsibility and Sustainability Report is not applicable to the company.

### **31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **32. ASSOCIATE / CONSOLIDATED FINANCIAL STATEMENT**

As on 31st March, 2023 the company had four Associate Companies i.e. Atam Vallabh Financiers Limited, Vardhman Investment Limited, J L Growth Fund Limited and OWM Renew LLP, the accounts of which have been consolidated in accordance with the applicable Accounting Standards (Ind AS) and pursuant to Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The audited consolidated financial statements are provided in the Annual Report. A statement containing salient features of financial statements of associate companies in Form AOC-1 is annexed with the financial statements. The financials of the associate companies is given below:-

#### **i) Atam Vallabh Financiers Limited (AVFL)**

The company holds 36.85% equity shares of AVFL. During the year, the revenue from operations of the company was Rs. 18.07 lacs as compared to Rs. 13.82 lacs in the previous year. The company has earned a net profit of Rs. 13.15 lacs as against a net profit of Rs. 10.06 lacs in the previous year.

#### **ii) Vardhman Investment Limited (VIL)**

The company holds 47.17% equity shares of VIL. During the year, the revenue from operations of the company was Rs. 18.76 lacs as compared to Rs. 15.32 lacs in the previous year. The company has earned a net profit of Rs. 13.59 lacs as against a net profit of Rs. 11.03 lacs in the previous year.

#### **iii) J L Growth Fund Limited (JLGF)**

The company holds 41.10% equity shares of JLGF. During the year, the revenue from operations of the company was Rs. 73.02 lacs as compared to Rs. 93.70 lacs in the previous year. The company has earned a net profit of Rs. 54.17 lacs as against a net profit of Rs. 70.02 lacs in the previous year.

#### **iv) OWM Renew LLP**

The company had made a contribution of 26% in OWM Renew LLP. During the year, the revenue from operations was Rs. 477.58 lacs as compared to Nil in the previous year and a net loss of Rs. 303.57 lacs as against Nil in the previous year.

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

The company is committed to create and maintain an atmosphere in which employees can work together, without any fear of exploitation. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2022-23 the company has not received any complaint on sexual harassment and hence no complaint remains pending as on 31st March, 2023.

### **34. INDUSTRIAL RELATIONS**

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

### **35. ACKNOWLEDGEMENT**

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

**For and on behalf of the Board of Directors**

**Place: Ludhiana  
Date: 14<sup>th</sup> August, 2023**

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



**ANNEXURE - A**

**Form No. AOC-2**

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

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

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

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

**2. Details of material contracts or arrangement or transactions (2022-23) at arm's length basis**

(₹ In lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)
Oswal Woollen Mills Ltd	Purchase of Goods	2022-23	3558.26	At arm's length basis	
	Sale of Goods		10631.80		
	Purchase of Fixed Assets		127.77		
	Processing Charges received		0.14		
	Freight Income		607.80		
	Expenses Reimbursement received		68.08		
	Expenses Reimbursement paid		9.59		
	FMP/FMS Licence Sale		132.84		
Nahar Spinning Mills Ltd	Purchase of Goods	2022-23	800.92	At arm's length basis	
	Sale of Goods		386.64		
	Processing Charges Received		137.55		
	Purchase of fixed assets		2.95		
	Freight Income		-0.29		
Monte Carlo Fashions Ltd	Expenses Reimbursement received	2022-23	90.00	At arm's length basis	
	Purchase of Goods		24.44		
	Sale of Goods		689.91		
	Expenses Reimbursement received		52.80		
	Sale of fixed assets		15.68		
	Rent Received		228.33		
Abhilash Growth Fund Pvt. Limited	FMP/FMS License Sale	2022-23	113.76	At arm's length basis	
	Interest Paid		21.23		
KMRA Associates LLP	Loan Paid	2022-23	2000.00	At arm's length basis	
	Purchase of Goods		45.00		
OWM Renew LLP	Rent received	2022-23	0.35	At arm's length basis	
	Purchase of Goods/Service		474.05		
Hug Foods Pvt. Ltd.	Sale of Goods	2022-23	318.89	At arm's length basis	
	Interest paid		5.26		
	Expenses Reimbursement received		2.89		
	Loan Received		130.78		
	Loan paid		63.00		
	Purchase of fixed assets		0.11		
OWM Poly Yarn Limited	Sale of Goods	2022-23	24.84	At arm's length basis	
	Sale of Fixed Assets		1994.15		
	Purchase of fixed Assets		2.24		
	Freight Income		92.99		
	Processing charges received		22.72		
	Purchase of Goods		20.26		
Nahar Poly Films Limited	Investment in Preference Share	2022-23	2000.00	At arm's length basis	
	Freight Income		9.06		
Oswal Foundation	CSR	2022-23	102.58	CSR	
Jawahar Lal Oswal Public Charitable Trust	Charity & Donations	2022-23	100.00	Charity & Donations	
Mr. Kamal Oswal	Rent Received	2022-23	15.00	At arm's length basis	
	Remuneration paid		557.55		
Mrs. Manisha Oswal	Remuneration Paid	2022-23	27.02	At arm's length basis	
Mrs. Ishita Oswal	Remuneration Paid	2022-23	16.54	At arm's length basis	

**NAHAR INDUSTRIAL ENTERPRISES LIMITED****Annual Report 2022-23**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of Approval by the Board	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)
Mr. Abhinav Oswal	Remuneration Paid	2022-23	190.04	At arm's length basis	

**For and on behalf of the Board of Directors****Place: Ludhiana  
Date: 14.08.2023****Jawahar Lal Oswal  
(DIN: 00463866)  
Chairman**





**ANNEXURE-B**

**Annual Report on Corporate Social Responsibility (CSR) Activities**

1.	<p>Brief outline on CSR Policy of the Company:</p> <p>Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and the Board of Directors had approved the same on 14.11.2014. As per policy, the Company joined hands with group companies under one umbrella to undertake the CSR Projects through Oswal Foundation, which is a registered society formed in the year 2006 having its charitable objects in various fields. It has already been registered with MCA vide Registration No. CSR00000145 for undertaking CSR activities. The Board adopted the CSR Policy as recommended by CSR Committee. Under the CSR Policy, Company will broadly focus on medical relief and research, environment protection, promotion of education, social upliftment and any other activity as envisaged in the Companies Act. The CSR policy is also available on the Company's website at the weblink: <a href="http://www.ownahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf">www.ownahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf</a>.</p>																			
2.	<p>Composition of CSR Committee:</p> <p>Sh. Kamal Oswal, Chairman, Sh. Dinesh Gogna, Member Sh. Suresh Kumar Singla, Member</p>																			
3.	<p>Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:</p> <p>i. <a href="http://www.ownahar.com/nahar_ie/about.Php">www.ownahar.com/nahar_ie/about.Php</a> ii. <a href="http://www.ownahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf">www.ownahar.com/nahar_ie/pdf/CSR_Policy_NIEL.pdf</a>.</p>																			
4.	<p>Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable</p>																			
5.	<p>Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Amount available for set-off from preceding financial years (in Rs.)</th> <th>Amount required to be set-off for the financial year, if any (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>2020-21</td> <td>13,50,719/-</td> <td>13,50,719/-</td> </tr> </tbody> </table>					Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)	2020-21	13,50,719/-	13,50,719/-									
Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)																		
2020-21	13,50,719/-	13,50,719/-																		
6.	Average net profit of the company as per section 135(5).				Rs. 58,04,41,000/-															
7.	(a) Two percent of average net profit of the company as per section 135(5)				Rs. 1,16,08,827/-															
	(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years				Nil															
	(c) Amount required to be set off for the financial year, if any				Rs. 13,50,719/-															
	(d) Total CSR obligation for the financial year (7a+7b.7c).				Rs. 1,02,58,108/-															
8.	(a) CSR amount spent/unspent for the financial year:				Rs. 1,16,08,827/-															
	<p><b>Total Amount Spent for the Financial Year (in Rs.)</b></p> <p>Rs. 1,16,08,827/- (Including Rs. 13,50,719/- available for set-off)</p>	<p><b>Amount Unspent (Rs.)</b></p> <table border="1"> <thead> <tr> <th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</th> <th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</th> </tr> <tr> <th>Amount</th> <th>Date of Transfer</th> <th>Name of the Fund</th> <th>Amount</th> <th>Date of transfer</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>				Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer	Nil	Nil	Nil	Nil	Nil
Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)																		
Amount		Date of Transfer	Name of the Fund	Amount	Date of transfer															
Nil	Nil	Nil	Nil	Nil																
	Nil	Nil	Nil	Nil																



(b) Details of CSR amount spent against ongoing projects for the financial year :												
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Project Duration	Amount allocated for the project (Rs. in lacs)	Amount spent in the current financial year (Rs. in lacs)	Amount Transferred to unspent CSR account for the project as per section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementing – Through Implementing Agency	
				State	District						Name	MCA Regn. No.
1	Health Care Project	(1)	Yes	Punjab	Ludhiana	-	102.58	102.58	-	No	Oswal Foundation	CSR00000145
(c) Details of CSR amount spent against other than ongoing projects for the financial year: <b>NOT APPLICABLE</b>												
(d) Amount spent in Administrative Overheads: <b>NIL</b>												
(e) Amount spent on Impact Assessment, if applicable: <b>NIL</b>												
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : <b>Rs. 1,02,58,108/-</b>												
(g) Excess amount for set off, if any: <b>NIL</b>												
9.	(a) Details of Unspent CSR amount for the preceding three financial years: <b>NOT APPLICABLE</b>											
	(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): <b>NOT APPLICABLE</b>											
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (asset-wise details) : <b>NOT APPLICABLE</b>											
	(a) Date of creation or acquisition of the capital asset(s).										<b>NOT APPLICABLE</b>	
	(b) Amount of CSR spent for creation or acquisition of capital asset.										<b>NOT APPLICABLE</b>	
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.										<b>NOT APPLICABLE</b>	
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).										<b>NOT APPLICABLE</b>	
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): <b>NOT APPLICABLE</b>											

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



**ANNEXURE-C**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDING 31<sup>st</sup> MARCH, 2023**

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

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the **financial year 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Nahar Industrial Enterprises Ltd** ("the Company") for the financial year ended on **31<sup>st</sup> March, 2023** according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the rules made there under;
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') :-
    - (a) The Securities and Exchange Board of India

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018; (**Not Applicable as the Company has not issued further capital during the financial 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. Textiles (Development and Regulation) Order, 2001
  - VII. Foods Safety and Standards Act, 2006



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

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

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

**2. I further report that**

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

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

**For P S Bathla & Associates**

**Place: Ludhiana**  
**Date :14.08.2023**  
**UDIN: F004391E000805829**  
**Parminder Singh Bathla**  
**Company Secretary**  
**FCS No. 4391**  
**C.P No. 2585**  
**Peer Review No.1306/2021**  
**SCO-6, Feroze Gandhi Market**  
**Ludhiana**

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

'Annexure A'

To

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

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

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

**Place: Ludhiana**  
**Date : 14.08.2023**  
**Parminder Singh Bathla**  
**Company Secretary**  
**FCS No. 4391**  
**C.P No. 2585**  
**Peer Review No.1306/2021**  
**SCO-6, Feroze Gandhi Market**  
**Ludhiana**



**ANNEXURE-D**

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 is as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2022-23 (₹ in lacs)	% increase in Remuneration in the Financial year 2022-23	Ratio of remuneration of each Director to median remuneration of employees
1.	Sh. Jawahar Lal Oswal (Chairman)	*0.60	50.00	0.36
2.	Sh. Kamal Oswal (Managing Director)	557.55 (including commission & perks)	-26.99	337.91
3.	Sh. Dinesh Oswal (Director)	*0.60	20.00	0.36
4.	Sh. Abhinav Oswal (Executive Director)	190.04 (including commission & perks)	68.77	115.18
5.	Sh. Dinesh Gogna (Director)	*0.60	20.00	0.36
6.	Sh. Navdeep Sharma (Director)	*0.60	20.00	0.36
7.	Sh. Suresh Kumar Singla (Director)	*0.60	20.00	0.36
8.	Mrs. Manisha Gupta (Director)	*0.60	20.00	0.36
9.	Dr. Roshan Lal Behl (Director)	*0.60	20.00	0.36
10.	Sh. Parvinder Singh Pruthi (Director)	*0.60	20.00	0.36
11.	Sh. Ved Parkash Gaur # (Director)	*0.60	50.00	0.36
12.	Dr. Yash Paul Sachdeva \$ (Director)	*0.30	100.00	0.18
13.	Sh. Bharat Bhushan Gupta (Chief Financial Officer)	29.91	5.02	18.13
14.	Sh. Mukesh Sood (Company Secretary)	24.13	8.69	14.62

\*Sitting Fee paid for attending the Board Meetings.

#Resigned from the directorship of the company w.e.f. 15.07.2023.

\$Appointed as an Independent Director of the company w.e.f. 26.09.2022.

- (ii) The median remuneration of employees of the company during the financial year 2022-23 was Rs. 1.65 lacs. In the financial year 2022-23, there was an increase of 13.50% in the median remuneration of employees.
- (iii) There were 7304 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2023.
- (iv) Average percentage increase made in the salaries of employees other than the Key Managerial Personnel in the last financial year i.e. 2022-23 was 2.11% whereas the increase/(decrease) in the Key Managerial remuneration for the same financial year was (24.90%).
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- (vi) Name of the top 10 employees in terms of remuneration drawn has been given hereunder:-

Sr. No.	Name and Designation	Gross Remuneration (Rs. In lacs)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age (in years)	Last Employment held
1.	Sh. Kamal Oswal* Managing Director	457.55	Contractual	B. Com 40 years	01.02.1998	61	Nahar International Ltd.
2.	Sh. Abhinav Oswal** Executive Director	155.04	Regular	B.B.A. 7 years	18.07.2016	30	----
3.	Sh. Rajesh Walla Vice President	30.83	Regular	M.Com, PGDCA 33 years	20.08.1990	53	----
4.	Sh. Bharat Bhushan Sharma, President (Marketing)	30.13	Regular	B.Tech (Textile) 35 years	13.08.2021	56	Bombay Rayons
5.	Sh. Bharat Bhushan Gupta, Chief Financial Officer	29.91	Regular	C.A. 44 years	20.11.1979	66	----
6.	Sh. Hari Narain Singhal, President	29.84	Regular	M.Com, L.LB 45 years	20.10.1978	70	DCM Group
7.	Mrs. Manisha Oswal*** President	27.03	Regular	Graduate 11 years	01.04.2012	58	----
8.	Sh. Satish Kumar Tyagi, Vice President	26.08	Regular	B.Tech 33 years	03.12.2009	58	Vardhman Group
9.	Sh. Daljeet Singh Virdi, Vice President	25.22	Regular	CA 39 years	07.09.1993	68	Metro Tyres Ltd.
10.	Sh. Mukesh Sood Company Secretary	24.13	Regular	CS 30 years	01.04.2005	56	Nahar International Ltd.

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

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

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

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

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

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

**B) TECHNOLOGY ABSORPTION**

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

	<b>Current Year</b>	(₹ in Lacs) Previous Year
a) Capital	<b>43.53</b>	12.11
b) Recurring	<b>12.65</b>	11.29
Total	<b>56.18</b>	23.40

**C) FOREIGN EXCHANGE EARNING & OUTGO:**

	<b>Current Year</b>	(₹ in Lacs) Previous Year
i) Total foreign exchange earnings and outgo:		
Earnings (FOB Value of Exports etc.)	<b>25,315.84</b>	<b>47,616.23</b>
Outgo (CIF Value of Imports, expenditure in foreign currency and others payments)	<b>3,016.14</b>	<b>2,272.06</b>

**For and on behalf of the Board of Directors**

Place: Ludhiana  
Date : 14.08.2023

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



**CORPORATE GOVERNANCE REPORT**

**ANNEXURE-F**

**1. Company's Philosophy on Corporate Governance**

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

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

**2. Board of Directors**

**A. Information relating to Directors**

- i. As on 31<sup>st</sup> March, 2023 the Board of NIEL consists of twelve directors. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. Sh Jawahar Lal Oswal is non-executive chairman and the composition of the Board is in conformity with the Listing Regulations.
- ii. The Board met 6 (six) times during the period (April, 2022 to March, 2023) on – 11.04.2022, 14.05.2022, 30.07.2022, 07.11.2022, 08.02.2023 & 30.03.2023 with a clearly defined agenda. The maximum time gap between two board meetings was less than 120 days.
- iii. The details relating to composition and categories of directors on the Board, their attendance at the Board Meeting during the year and at the last Annual General Meeting, Number of Directorship, Committee Membership and Chairpersonship (**in Audit Committee & Stakeholder Relationship Committee**) held by them in other public limited companies incorporated in India and also name of the listed companies in which holds directorship, as on 31.03.2023 are presented hereunder:

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



Sh. Navdeep Sharma (00454285)	Non Executive Director	Kovalam Investment and Trading Co. Ltd.	6	Yes	8	2	--
Dr. Suresh Kumar Singla (00403423)	Independent Director	Kovalam Investment & Trading Co. Ltd Nahar Poly Films Limited Nahar Spinning Mills Limited Nahar Capital and Financial Services Limited Monte Carlo Fashions Limited	6	Yes	6	4	1
Dr. Manisha Gupta (06910242)	Independent Director	Nahar Spinning Mills Ltd. Nahar Poly Films Limited Nahar Capital and Financial Services Ltd. Monte Carlo Fashions Ltd. Oswal Leasing Limited	6	No	8	8	2
Dr. Roshan Lal Behl (06443747)	Independent Director	Nahar Spinning Mills Ltd. Nahar Poly Films Limited Nahar Capital and Financial Services Ltd. Monte Carlo Fashions Limited Oswal Leasing Limited	6	yes	6	9	5
Sh. Ved Prakash Gaur (02439897)	Independent Director		6	Yes	3	--	--
Sh. Parvinder Singh Pruthi (07481899)	Independent Director	Monte Carlo Fashions Limited	6	No	--	--	--
Dr. Yash Paul Sachdeva (02012337) **	Independent Director	Nahar Spinning Mills Limited Nahar Poly Films Limited	3	No	--	--	--
Sh. Inder Mohan Chhibba (07913491) *	Independent Director			No	--	--	--

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

\* Ceased to be director of the Company in the financial year 2022-23.

\*\* Director has been appointed during the financial year 2022-23.

#### B. Shareholding of Non Executive Directors

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

#### C. Details of Familiarisation Programme for Independent Directors

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

#### D. Performance Evaluation

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

#### E. Remuneration to Directors

All the non-executive directors receive sitting fee for attending the Board Meetings. Sh. Kamal Oswal, Managing Director and Sh. Abhinav Oswal, Executive Director, receives salary, Commission, allowances, perquisites as approved by the Nomination and Remuneration Committee, Board of Directors and Shareholders. There has been





no materially pecuniary relationship or transaction between the Company and its Directors in the financial year under review. The details of remuneration paid to the directors for the financial year 2022-23, are given below:

<b>Name of the Directors</b>	<b>Sitting Fee</b>	<b>Salary, Allowance &amp; Perquisites</b>	<b>Performance Incentives</b>	<b>Commission</b>	<b>Total</b>
Sh. Jawahar Lal Oswal	60000/-	Nil	Nil	Nil	60000/-
Sh. Kamal Oswal	Nil	45755000/-	Nil	10000000/-	55755000/-
Sh. Dinesh Oswal	60000/-	Nil	Nil	Nil	60000/-
Sh. Abhinav Oswal	Nil	15504000/-	Nil	3500000/-	19004000/-
Sh. Dinesh Gogna	60000/-	Nil	Nil	Nil	60000/-
Sh. Navdeep Sharma	60000/-	Nil	Nil	Nil	60000/-
Sh. Suresh Kumar Singla	60000/-	Nil	Nil	Nil	60000/-
Mrs. Manisha Gupta	60000/-	Nil	Nil	Nil	60000/-
Sh. Roshan Lal Behl	60000/-	Nil	Nil	Nil	60000/-
Sh. Ved Prakash Gaur	60000/-	Nil	Nil	Nil	60000/-
Sh. Parvinder Singh Pruthi	60000/-	Nil	Nil	Nil	60000/-
Dr. Yash Paul Sachdeva *	30000/-	Nil	Nil	Nil	30000/-

\* **Appointed Director of the Company during the financial year 2022-23.**

#### **F. Information to the Board**

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

#### **G. Code of Conduct**

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

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management an affirmation that they have complied with the Code of Conduct in Financial Year 2022-23.

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

**Place : Ludhiana**  
**Dated : 14.08.2023**

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

The following skills/expertise/competencies required in the context of Companies business have been identified by the Board for it to function effectively i.e. i) Industry Knowledge, ii) Leadership, iii) Business Strategy, Planning and Corporate Management iv) Legal and Risk Management, v) Corporate Governance and Risk Management vi) Financial Knowledge vii) Information Technology.



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

**i. Confirmation of Independent Directors**

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfill the conditions required for independent directors as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (LODR) and Companies Act 2013 are independent of the management.

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

During the year under review an Independent Director of the Company namely Sh. Inder Mohan Chhibba has resigned before the expiry of his tenure due to pre-occupation. Intimation in this regard has given to the stock exchanges and MCA.

**3. Board Level Committees**

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

**A. Audit Committee**

The Company has formed an Audit Committee of the Board of Directors of the Company. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR). The committee consisted of three non executive Director namely Sh. Dinesh Gogna, Dr. Roshan Lal Behl & Dr. Manisha Gupta as on 31.03.2023. Dr. Roshan Lal Behl, an independent non-executive director is the Chairman of the Committee. All committee members have requisite experience in the field of finance and are well versed in financial and accounting matters. Mr. Bharat Bhushan Gupta, Chief Financial Officer and Mr. Mukesh Sood, Company Secretary are invitees to the Committee Mr. Mukesh Sood also acts as Secretary to the Audit Committee. Since Dr. Inder Mohan Chhibba, has resigned as an Independent Director of the Company w.e.f. 27.06.2022, who was member of the Audit Committee also, accordingly, he ceased as member of the Audit Committee also.

The Committee met 4 (four) times during the period (April 2022 to March, 2023) i.e. 14.05.2022, 30.07.2022, 07.11.2022 & 08.02.2023 and the attendance of each member is as under:



Name of the Members	Status	Category	No. of Meetings Held	No. of meetings Attended
Sh. Dinesh Gogna	Member	Non-executive Director	4	4
Dr. Roshan Lal Behl	Chairman	Independent Non-executive Director	4	4
Dr. Manisha Gupta	Member	Independent Non-executive Director	4	4
Dr. Inder Mohan Chhibba*	Member	Independent Non-executive Director	1	0

\*Dr. Inder Mohan Chhibba has resigned as an Independent Director of the Company w.e.f. 27.06.2022.

**Terms of Reference:**

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

**B. Nomination and Remuneration Committee**

The composition of Nomination and Remuneration Committee of the Company is as per the provisions of section 178 of the Companies Act, 2013 and SEBI (LODR). As on 31.03.2023 the Committee consisted of three independent non-executive directors namely Sh. Ved Prakash Gaur, as Chairman, Sh. Suresh Kumar Singla and Dr. Roshan Lal Behl as members. Dr. Inder Mohan Chhibba has resigned from the directorship of the Company w.e.f 27.06.2022. He was member of the Nomination and Remuneration Committee also. Accordingly, he ceased as member of the Nomination and Remuneration Committee. The Committee met on 30.07.2022 in the Financial year 2022-23 and all the members were present in the meeting.

The role of Nomination and Remuneration Committee is:

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

**C. Stakeholders Relationship Committee**

The composition of Stakeholders Relationship Committee of the Company is as per the provisions of section 178 of the Companies Act, 2013 and SEBI (LODR). The Committee reviews redressal of shareholders and investors complaints like non receipt of dividend on shares, non receipt of shares whether in demat or physical form, non receipt of annual report etc., besides complaints received from SEBI, Stock Exchanges, Court and various investor forums. The Committee also oversees the performance of Registrar and Transfer Agent i.e. Alankit Assignment Limited. As on 31.03.2023, the Stakeholder's Relationship Committee consisted of directors namely Sh. Kamal Oswal, Sh. Dinesh Gogna and Sh. Suresh Kumar Singla. Dr. Inder Mohan Chhibba has resigned from the directorship of the Company w.e.f 27.06.2022 who was also member of the Stakeholder's Relationship Committee also ceased as member of the Stakeholder's Relationship Committee. Sh. Mukesh Sood, Company Secretary and Compliance Officer act as Secretary to the Committee.

The Committee met 4 (four) times during the period (April 2022 to March, 2023) i.e. 14.05.2022, 30.07.2022, 07.11.2022 & 08.02.2023 and the attendance of each member is as under:

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Sh. Kamal Oswal	Member	4	4
Sh. Dinesh Gogna	Chairman	4	4
Sh. Suresh Kumar Singla	Member	4	4
Dr. Inder Mohan Chhibba *	Member	1	0



\* Dr. Inder Mohan Chhibba, ceased as member of the Stakeholder Relationship Committee w.e.f. 27.06.2022

**Status of Shareholder's queries/grievance**

Particulars	Pending at the beginning of the year	Received and redressed during the year	Pending at the end of the year
Status of Shareholder's queries/grievance	Nil	23	Nil

**D. CSR Committee**

The Company has constituted a CSR committee pursuant to the requirements of section 135 of the Companies Act, 2013. Presently the committee consisting of Sh. Kamal Oswal, Chairman, Sh. Dinesh Gogna and Sh. Suresh Kumar Singla as members. The Board has approved a policy on Corporate Social Responsibility which is available at the official website of the Company. Information regarding CSR is mentioned in the Director's Report. The committee met on 30.03.2023 during the financial year 2022-23.

**E. Risk Management Committee**

The Company has laid down 'Risk Management Policy' and identified threat of such which if oversees will adversely affect the ability of the Company to achieve objective.

**4. General Body Meeting**

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

Financial Year	Location	Date	Time	No.of Special Resolutions
2019-20	Through Video conferencing/ other audio visual means	30.09.2020	11.45 A.M.	3
2020-21	Through Video conferencing/ other audio visual means	29.09.2021	2.30 PM	1
2021-22	Through Video conferencing/ other audio visual means	26.09.2022	11.45 A.M.	4

No Special Resolution was passed during the year through postal ballot.

**Court Convened Meeting (s)**

During the year under review Hon'ble National Company Law Tribunal, Chandigarh Bench, vide its Order dated April 05, 2022 in Company Application No. CA (CAA) No. 2/Chd/Pb/2022 for seeking approval of Equity Shareholders & Creditors (secured & unsecured) regarding amalgamation of Cotton County Retail Limited with the Company u/s 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013, were held on Saturday, 28th May, 2022. The meeting was held through video conferencing ("VC") with facility of remote e-voting. Mr. Khushvinder Singhal, Advocate, was appointed as the Scrutinizer by the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh. Report of the Scrutinizer regarding result of the meeting were submitted to the Stock Exchanges and placed on the website of the Company.

**5. Means of Communication**

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

**6. Presentations made to institutional investors or to the analysts:**

Whenever any presentation about Company's working is made / to be made to the Financial Institutional Investors or to the Analyst, the same is displayed on the Company's Website i.e. [www.owmnaahar.com](http://www.owmnaahar.com).

**7. General Shareholder's Information**

i. Annual General Meeting  
Day, Date, Time and Venue

Wednesday, 27th day of September, 2023 at 12:30 PM.  
through video conferencing/other audio visual means from the  
Registered Office at Focal Point, Ludhiana - 141010 (Punjab)

ii. Financial Year

April to March  
Financial Results for the financial year 2022-23 will be  
announced tentatively in

July-August, 2023	First Quarter Results
October-November, 2023	Second Quarter Results
January-February, 2024	Third Quarter Results
April-May 2024	Fourth quarter & Annual audited results.

iii. Book Closure

21.09.2023 to 27.09.2023 (both days inclusive).

iv. Dividend

The Board of Directors has not recommended any dividend for the financial year ended 31.03.2023.

Unclaimed/Unpaid Dividend

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

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

**Unpaid/unclaimed dividend pertaining to the financial year 2015-16 is due to be transferred in the financial year 2023-24.**

Details of Unpaid/Unclaimed dividend:

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

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

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

Upon transmission of such shares, all benefits (like bonus shares etc. ) if any, accruing on such shares shall also be credited to such Demat account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The list of members whose shares have been transmitted to IEPF Authority



is displayed on the website of the Company at weblink : [http://www.ownnahar.com/nahar\\_ie/transfer-of-equity-shares.php](http://www.ownnahar.com/nahar_ie/transfer-of-equity-shares.php). The company has already sent Individual notice to the shareholders of the Company who have not claimed their dividend.

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

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

v Listing on Stock Exchange

The equity shares of the Company are listed at:

1. BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.
2. National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

Annual Listing Fees for the financial year 2023-24 has already been paid to both the stock exchanges.

vi. Stock Code

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

vii. **Distribution of Shareholding as on 31.03.2023**

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate Shares held	% of Shareholding
1-500	43988	94.59	3636606	8.42
501-1000	1330	2.86	1007926	2.33
1001-2000	599	1.29	901669	2.09
2001-3000	211	0.45	540527	1.25
3001-4000	103	0.22	365147	0.85
4001-5000	58	0.12	272280	0.63
5001-10000	108	0.23	787376	1.82
10001 & above	107	0.24	35694050	82.61
<b>Total</b>	<b>46504</b>	<b>100.00</b>	<b>43205581</b>	<b>100.00</b>

viii. **Shareholding Pattern as on 31.03.2023**

Shares held by	No. of Shares	% of shareholding
Promoters	30781065	71.24
Mutual Funds & UTI	13173	0.03
Bank & Financial Institutions	302	0.00
Insurance Companies	128119	0.30
Foreign Holding (NRIs, FPI)	275257	0.63
Private Bodies Corporate (Others)	398832	0.92
IEPF Authority	1761437	4.08
Indian Public	9847396	22.80
<b>Total</b>	<b>43205581</b>	<b>100.00</b>

ix. **Dematerialisation of Shares**

As on 31.03.2023, 96.67% of equity share capital is held in dematerialized form under **ISIN-INE289A01011**.

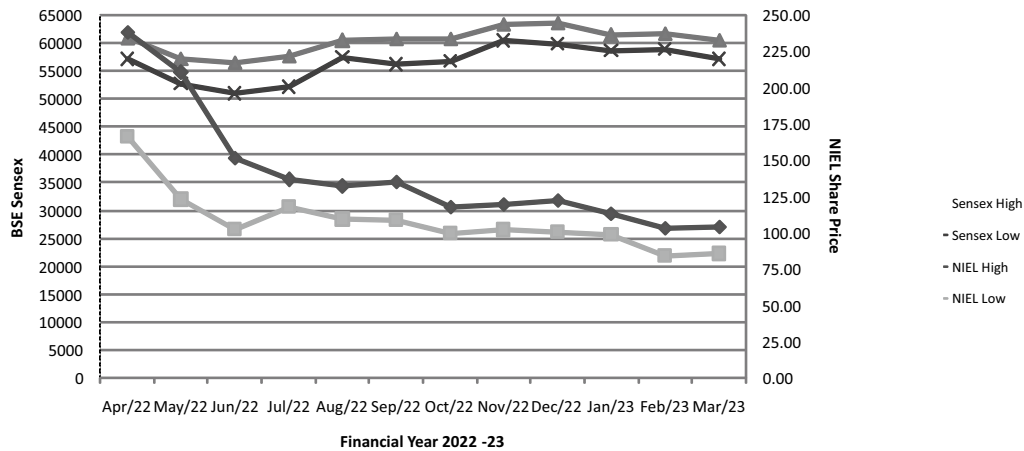
**x. Outstanding GDRs/ADRs/Warrants/Options or any other convertible instruments**

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

**Stock Market Data :**

Month	NSE		BSE	
	High	Low	High	Low
April-2022	237.90	164.95	238.00	166.45
May-2022	210.55	123.45	210.55	122.85
June-2022	151.95	102.50	151.90	102.55
July-2022	137.00	120.35	136.70	118.00
August-2022	132.30	110.00	132.00	109.25
Sept. – 2022	135.60	108.35	135.40	109.05
October-2022	117.85	102.50	118.00	100.00
November-2022	115.90	102.30	120.00	102.05
December-2022	122.25	100.45	122.30	100.85
January-2023	112.50	98.65	113.35	98.70
February-2023	104.00	84.10	103.45	84.05
March-2023	105.70	85.40	104.54	85.60

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

**xii. Stock Performance vis-à-vis Index****xiii. Investor Correspondence**

Investor correspondence should be addressed to:

**Share Transfer Agent**

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

**Company Secretary**

Nahar Industrial Enterprises Ltd.  
Regd. Office: Focal Point, Ludhiana – 141010  
Phone : 0161-5064200, 5083216  
Fax No.: 0161-2674072  
Email : msood@owmnahar.com  
share@owmnahar.com

**xiv. Share Transfer System**

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



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

**xv. Mandatory furnishing/ updating of PAN, KYC details and Nomination by holders of physical securities (Equity Shares)**

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-Pod/P/CIR/2023/37 dated March 16, 2023 (the "SEBI Circulars") has mandated for furnishing/ updating PAN, KYC details (Address, Mobile No., E-mail ID, Bank Details) and Nomination details by all the holders of physical securities in listed company. The Company has issued a letter alongwith all the relevant formats to all the physical shareholders on 01.05.2023 for providing the relevant information/documents to RTA in compliance of the said SEBI Circular.

**xvi. Service of Documents through electronic mode** As a part of Green initiative, the Company sends documents such as Notice of the General Meeting, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative in full measure, shareholders are requested to register/ update their latest e-mail addresses with their Depository Participants (DP) with whom they are having demat Accounts or in case of physical holding submit Form ISR-1 prescribed by SEBI for KYC details including emails, SH-13 for nomination mandated by SEBI.

**xvii Commodity price risk or foreign exchange risk and hedging activities**

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

**xviii Credit Ratings:**

CRISIL has assigned long-term rating CRISIL A-/Stable and Short Term CRISIL A2+ for the Total Bank loan facilities of Rs. 1000 crore.

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

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

**xvii. Plant Locations**

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

**7. Disclosures**

**i. Nomination and Remuneration Policy  
Introduction**

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





The Policy has been recommended by the Nomination and Remuneration Committee (the "Committee") and approved by the Board of Directors (the "Board") of the Company.

**Purpose of the Policy**

The purpose of the policy is to

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

**Appointment Policy**

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

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

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

**Remuneration Policy**

The remuneration package of the Company ensures that:

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

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

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

The remuneration/ sitting fees, as the case may be, to the Non-Executive Directors/ Independent Directors, shall be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder for the time being in force or as may be decided by the Committee/ Board/ Shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and Listing Regulations, as amended from time to time. [http://www.owmnaahar.com/naahar\\_ie/pdf/nomination-and-remuneration-policy.pdf](http://www.owmnaahar.com/naahar_ie/pdf/nomination-and-remuneration-policy.pdf)

**Review and Amendment**

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



this Policy. The policy has been placed on the website of the Company link:

**ii. Accounting Treatment in Preparation of Financial Statements**

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

**iii. Disclosure on Materially Significant Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Listing Regulations during the financial year were in the ordinary course of business and are at arm's length basis. These transactions were entered into as per the Company's Policy on Related Party Transactions. The company's policy on Related Party Transactions is available at the company's weblink at [www.owmnahar.com/nahar\\_ie/pdf/RPT\\_Policy.pdf](http://www.owmnahar.com/nahar_ie/pdf/RPT_Policy.pdf). As required by the Indian Accounting Standard (Ind As) the details of related party transactions are given in Note No.39 of the notes to Financial Statement. During the financial year under review all transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR) and in the ordinary course of business and at the arm's length basis. The details of related party transactions placed before the Audit Committee for its review and approval on quarterly basis. Further shareholders of the Company have given their approval in the 38th Annual General Meeting held on 26th September, 2022 for all transactions entered into/to be entered into by the Company with Oswal Woollen Mills Limited for a period from April 1, 2022 till 43rd Annual General Meeting of the Company to be held in 2027 as per the amended provisions of Regulations 23(i) of SEBI (LODR).

**iv. Details of non compliance by the Company**

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

**v. Whistle Blower Policy/ Vigil Mechanism**

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

**vi. Policy to Determine Material Subsidiary**

The Company does not have any subsidiary as defined under SEBI (LODR).

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

During the year 2022-23, the company has not raised and preferential allotment etc.

**viii. 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 the Listing Regulations, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such other authority. The certificate is attached

**ix. Recommendation of Committees:** In the financial year 2022-23 the board has accepted all recommendations of its Committees.

**x. Dividend Distribution Policy:**

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

**xi. Compliance of Regulation 25(10) of SEBI (LODR)**

Regulation 25(10) of SEBI (LODR) regarding Directors and officers liabilities insurance policy is not applicable to the Company.

**xii. Compliance of Regulation 34 (2)(f) of SEBI (LODR)**

Regulation 34 (2)(f) of SEBI (LODR) regarding Business Responsibility and Sustainability Report is not applicable to the Company.

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

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

**xiv. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(i)(b) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

The Company has complied with all the Corporate Governance requirements as specified in Regulation 17 to 27 (except Regulation 21 and 24, which are not applicable to the Company) and Regulation 46 (2) (i) (b) of SEBI LODR Regulations, 2015

**xv. Compliance with Corporate Governance**

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

**xvi. Disclosure In Relation Of Sexual Harassment Of Women At Workplace**

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

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

**xvii. Fees paid to Statutory Auditors:**

The total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditors is a part is Rs. 13.59 lacs which includes Audit Fees, Certification charges and reimbursement of expenses during the year 2022-23.

**xviii. Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account**

The Company has opened an Unclaimed Securities Suspense Escrow Demat account with Stock Holding Corporation of India Limited as per SEBI guidelines.

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

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

**xix. Disclosure regarding loans and advances**

The company has not given any loan and advances to firms / companies in which its director are interested.

**For and on behalf of the Board of Directors  
Jawahar Lal Oswal**

**CEO/CFO CERTIFICATION**

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we have certified to the Board that for the financial year ended 31<sup>st</sup> March, 2023 the Company has complied with the requirements stated thereunder.

**For Nahar Industrial Enterprises Limited**

**Place : Ludhiana  
Dated: 30.05.2023**

**Kamal Oswal  
(DIN: 00493213)**

**Bharat Bhushan Gupta  
Chief Financial Officer**

**Vice Chairman-cum-Managing Director**

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

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

To

The Members  
M/s Nahar Industrial Enterprises Ltd  
Ludhiana

I have examined the relevant records of **M/s NAHAR INDUSTRIAL ENTERPRISES LTD** for the purpose of certifying compliance of requirements in Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2023.

On the basis of disclosures / declarations received from the Directors and taken on record by the Board of Directors and according to the verifications (including DIN Status of Directors at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company. I hereby certify that none of the twelve Directors on the Board of the Company as stated below for the Financial Year ended as on 31st March, 2023, has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Corporate Affairs or any such other statutory authority.

Sl.No.	Name of Director	DIN	Date of appointment in Company	Cessation
1.	Mr. Jawahar Lal Oswal	00463866	14/10/1991	
2.	Mr. Kamal Oswal	00493213	27/09/1983	
3.	Mr. Dinesh Oswal	00607290	15/12/1988	
4.	Mr. Abhinav Oswal	07619099	14/08/2020	
5.	Mr. Dinesh Gogna	00498670	27/09/1983	
6.	Mr. Navdeep Sharma	00454285	12/08/2015	
7.	Mr. Suresh Kumar Singla	00403423	26/09/2017	
8.	Ms. Manisha Gupta	06910242	14/08/2020	
9.	Mr. Roshan Lal Behl	06443747	14/08/2020	
10.	Mr. Parvinder Singh Pruthi	07481899	14/08/2020	
11.	Mr. Ved Parkash Gaur	02439897	14/08/2020	15/07/2023
12.	Mr. Yash Paul Sachdeva	02012337	26/09/2022	

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P.S. Bathla & Associates  
Company Secretaries**

**Place : Ludhiana  
Dated: 14.08.2023  
UDIN: F004391E000805884**

**Parminder Singh Bathla  
Company Secretary  
FCS No. 4391  
C.P No. 2585  
Peer Review No. 1306/2021  
SCO-6, Feroze Gandhi Market,  
Ludhiana**



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

To,

The Members of  
Nahar Industrial Enterprises Limited  
Ludhiana.

I We have examined the compliance of regulations of Corporate Governance by Nahar Industrial Enterprises Limited ("the Company") for the year ended on 31st March 2023, as stipulated in Regulation 17 to 27 and Clause (b) to (i) of the Regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**Management's Responsibility**

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

**Auditor's Responsibility**

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

**Opinion**

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

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

**Place : Ludhiana  
Dated : 14.08.2023**

**(Vivek Aneja)  
Partner  
M. No. : 544757  
UDIN No.: 23544757BGYOEX6114**



## **Management Discussion and Analysis Report 2023**

### **Overview of economy**

Over the past three years the global economy has faced a series of shocks; the Covid-19 pandemic, the Russia-Ukraine conflict, a high inflationary scenario, increase in commodity prices and a significant hike in policy interest rates by central banks. Even though the effect of the pandemic has receded, the World Bank projected slowdown in the global economy amidst the prolonged Russia-Ukraine war. The outlook for the global economy took a positive turn in the first half of 2023 as inflationary pressures began to ease but ongoing geopolitical tensions and domestic challenges in key markets are slowing any return to sustained growth. As per latest estimates from the International Monetary Fund, global growth will bottom out at 3% in 2023 as compared to 3.5% in 2022. The overall outlook of the global economy remains uncertain.

As the global economy slows down, the developing countries are also facing its effects. A shortfall of international liquidity has already turned unforeseen shocks into a vicious financial cycle in some countries. The International Monetary Fund's latest estimates projected a growth rate of 6.1% for Indian Economy in 2023. It is expected that India would be able to maintain its position as a favourable contributor to the global economic expansion despite the global headwinds. According to the RBI, India's real GDP will grow by 6.5% during 2023-24. The growth will be mainly driven by private consumption, rural demand, capital expenditure in public spending, and moderation in commodity prices.

### **Industry structure/ Development (Textiles)**

The Indian Textile & Apparel (T & A) industry is diverse, encompassing a wide range of textiles, including apparel, home textiles, technical textiles and traditional handloom textiles. The Indian Textile industry is known for its textile products and is one of the largest textile producers and exporters in the world. India's textiles and Apparel industry is one of the mainstays of the national economy. The Indian textile industry has a significant contribution to India's GDP. It is one of the largest employers in the country, generating jobs across the entire value chain, from cotton farming and spinning to weaving, dyeing, printing, and garment manufacturing. The sector has perfect alignment with Government's key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment.

India is the 3rd largest exporter of Textiles & Apparel in the world. India has a share of 4.6% of the global trade in textiles and apparel. The sector holds importance from the employment point of view as well. It provides direct and indirect employment and source of livelihood for millions of people including a large number of women and rural population. The textile industry has around 45 million of workers employed in the textiles sector. India's textiles and clothing industry is one of the mainstays of the national economy (Source: Annual Report 2022-23, Ministry of Textiles, Government of India). The Indian textile industry has strength across the entire value chain from natural to man-made fiber to apparel to home furnishings. Its share in the nation's GDP is 6% and in exports is 13%. The sector is the second largest employer after agriculture. (Source: Ministry of Textile report)

In keeping with goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, up gradation of technology fostering innovation, enhancing skills and traditional strengths in the textile sector. Government is implementing various policy initiatives and schemes for supporting the development of textile sector. These schemes and initiatives promote technology up-gradation, creation of infrastructure and skill development in the textile sector which would create a conducive environment and provide enabling conditions for textile manufacturing in the country and help in boosting the textile sector.

### **Management perception of concerns/ Threat/Risks**

India's textile industry was successfully recovering from the after effects of Covid-19 pandemic but unfortunately hit multiple roadblocks in the last financial year. The Textile sector has seen weak demand since June 2022 due to persistent global inflation and lingering possibilities of a recession. Inflation has affected consumers and industry alike. The textile industry is highly sensitive to global economic conditions and can be significantly impacted by global demand and pricing. Due to global economic slowdown and weak demand of textile products in both global and domestic market, most companies in the textile sector have cut down production and operating at low capacity. Further consumers prioritises other essential items in the face of



inflation resultantly the major global retailers have been left with high levels of inventory.

The concerns around the textile industry have much to do with the cyclical nature of its business. Margins are exposed to volatility in raw material prices and competition. In the last year, Cotton prices in India shot up to unprecedented levels which couldn't be absorbed in finished goods prices, which affected the performance of the Textile Industry at large. Cotton is one of the most important cash crops and accounts for around 21% of the total global fibre production. In the raw material consumption basket of the Indian textile industry, the proportion of cotton is around 60%. The consumption of cotton is approximately 316 lakh bales (170 kg each) per year. India occupies first position in the world in cotton acreage with around 119.10 lakh hectares under cotton cultivation which is around 36% of the world area of 326.36 lakh hectares. Approximately 62% of India's Cotton is produced on rain-fed areas and 38% on irrigated lands. During 2021-22, India's productivity was around 445 kg/ha. India has emerged one of the largest producers, consumers and exporters of cotton in the World (Source Annual Report 2022-23, Ministry of Textiles, Government of India).

The largely water-intensive nature of the cotton crop, extensive use of fertilizers and pesticides and genetic modification have posed a significant environmental challenge as far as cotton cultivation is concerned. The industry is of the view that making farmers aware of healthier cotton practices and improving farming techniques can be the key to turning around the prevailing scenario. Better farming practices would lead to a better yield of cotton produce which would further help improve global demand for Indian textiles.

Besides increased raw material prices, profitability are also susceptible to forex fluctuation risks, Interest rates on bank loans and labour costs. The industry is sensitive to economic conditions and factors such as consumer demand, disposable income levels and demographic trends. The biggest threat to cotton products is competition from other low-cost man-made fibres. Consumers are shifting their focus from Cotton fibres to manmade fibres i.e. synthetic, polyester etc. which are available at lower prices. This is also putting pressure on margin.

Evaluation of business risk and managing the risk has always been an ongoing process in your Company. Your Company has a risk management framework to identify, monitor and minimise risks. The Board has a policy to

oversee the risk mitigation which includes identification, assessment, monitoring and reporting of risks.

#### **Opportunities and outlook**

The entire textile value chain did well in FY 2022 but faced a challenging time in FY 2023. In the current financial year also the textile industry is facing a tough time because of slowdown in the world economy, high cotton prices coupled with weak demand of Textile products. The Government of India is implementing various policy initiatives and schemes for further development of textile sector. The increased outlay of funds to textile-centric schemes like Remission of Duties or Taxes on Export Products Scheme (RoDTEP), Rebate of State and Central Taxes and Levies (RoSCTL) and the Amended Technology Up gradation Fund Scheme (ATUFS) further underlines the government's focus on textiles. The government has introduced various schemes such as the Scheme for Integrated Textile Parks (SITP) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme to attract private investment in the sector. The PM Mitra (Mega Integrated Textile Region and Apparel) Park Scheme under which the government plans to set up seven mega textile parks in the country, which will help India to transform from only a traditional textile industry to a MMF (man-made fibre) and technical textile hub in the world. This could help return of textile orders because of the planned integrated textile value chain including spinning, weaving and processing at a single location which would significantly help to boost the sector. The government has come up with several export promotion policies for the textile sector as well. It has also allowed 100% FDI in the sector under the automatic route.

China plus one policy, Economic collapse /volatility in Sri Lanka, Myanmar, Bangladesh and Pakistan has played out in favour of India as the world has started looking at India as reliable partner for their requirement.

Free Trade Agreement (FTA) with Australia, Comprehensive Economic Partnership Agreement (CEPA) with UAE and expected favourable trade agreements with UK / Europe present an opportunity for textile manufacturers to expand into new market. Rising demand for low cost, sustainable and eco-friendly products presents an opportunity for textile manufacturers to develop new products. After the phasing out of export quotas in 2005 India's export performance has been below expectations. India has a meagre share of 4.6% of the global trade in textiles and



apparel. The rapid growth of the retail sector and E-commerce will boost the growth of the textile and apparel industry. Rising disposable income will stimulate domestic demand.

The major factors that shaped the world economy in 2022 seem to continue in 2023 giving challenges to policymakers. Once demand for textile products recover and sustain it will boost the textile industry and economy. We expect that in this challenging period, Government will support the Textile industry in the form of favorable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the Industry. Despite the slowdown in the textile sector globally, the Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. The Indian apparel market stood at US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025. Total textile exports are expected to reach US\$ 65 billion by FY26. (Source report Confederation of Indian Industry CII). The Free Trade Agreements (FTAs), the Production Linked Incentive (PLI) scheme and the setting up of mega textile parks will further support the sector. The future of the Indian textiles industry looks promising in long term. Your management is looking at the future of the textile industry with optimism.

#### **Industry Structure/Development (Sugar)**

Indian sugar industry is characterized by the coexistence of private, cooperative and public sector. India is the second largest producer of sugar in the world after Brazil and is also the largest consumer of sugar. Sugarcane is one of the most financially rewarding cash crops in India and its cultivation plays a vital role towards socio-economic development of farmers through income and employment generations. The sugar sector in India also enhances the livelihoods of approximately 50 million sugarcane farmers, creates direct employment opportunities for around 5,00,000 workers and finely fits into the Aatma Nirbhar Bharat mission of the Government. Sugarcane is the primary raw material for sugar production in India. India has among the largest global areas under sugarcane cultivation. In India, sugarcane is produced majorly in nine states. Uttar Pradesh, Maharashtra and Karnataka are the top sugarcane producing states in India. India's sugar industry operates both in the organized and unorganized sectors.

Government of India (GOI) is continuing the monthly release mechanism for sugar which was reintroduced

from January 2019. From the last couple of years India has produced more sugar than the domestic requirement. India is now structurally sugar surplus country and is also exporting sugar to other countries. With a view to ensure sufficient availability of sugar for domestic consumption at a reasonable price, Directorate General of Foreign Trade (DGFT), Ministry of Commerce has amended export policy in respect of sugar and covered it under restricted category. Further, Department of Food and Public Distribution (DFPD) allocated an export quota of 60 LMT to sugar mills for sugar season 2022-23 w.e.f. 01.11.2022 along with the guidelines for the export of sugar.

#### **Management perception of Risk/ Concern/Threat**

Sugar Industry is more vulnerable to government policies being regulated by Central and State Governments that influence the cost of production. Though the sugar cane procurement price has been increased in the past two seasons but the minimum selling price of Sugar which was fixed in Feb 2019 has not been increased. Any further increase in Fair & Remunerative Price for sugarcane for the sugar season 2023-24 will have impact on the financials of the company if the minimum selling price of sugar is not proportionately raised. The mismatch between sugar and sugarcane prices in the absence of Price Stabilisation Fund advocated by CACP creates periodical pressures, more particularly during industry downturn. In view of fragmented capacity and high input costs, Indian sugar industry suffers un-competitiveness in the global market. As a result, Sugar exports generally rely on Government support measures.

Sugar business is historically cyclical in nature. Markets tend to over react to demand-supply disequilibrium, causing volatile change in sugar pricing. Sugar industry is criticized on two ways. Firstly its end product i.e. Sugar is criticized as a health hazard secondly the raw material is condemned as water guzzler. The management periodically reviews to identify the major business risks as applicable to the company and works out their mitigation strategy.

#### **Opportunities and Outlook**

India has emerged as the most populous country in 2023. This population growth have demand for food, fuel and power sectors, among others, where sugarcane is an essential resource. India has a low per capita consumption of sugar with growing income. Sugar is the most preferred among other alternatives, across all age groups, due to its affordability and easy availability.





Demand for cane and sugar is increasing in India because of their extensive use in applications like fuel, food and beverages, bakery, confectionery and others.

The entire sugar value chain, including sugarcane procurement prices, monthly sugar distribution, annual export quotas, and ethanol prices, is closely regulated by the Government as an essential commodity. It is expected that for SS 2023-24 India would have manageable inventory levels of sugar. While sugar production would in all probability be higher than domestic demand. Government should be able to tackle the emerging surplus and have the option of balancing with export and ethanol together.

#### Segment wise/Financial/Operational performance

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

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

(Rs. In lakhs)

Particulars	Current Year	Previous Year
Revenue from operations	177387.37	200635.85
Profit / (Loss) before tax	10226.17	21555.34
Profit / (Loss) after tax	7927.04	15681.13

Ratios	Current Year	Previous Year	Change (%)
Trade Receivable Turnover Ratio (in times)	8.05	8.45	(4.73)
Inventory Turnover Ratio (in times)	3.06	3.22	(4.97)
Debt Service Coverage Ratio (in times)	1.55	1.95	(20.51)
Current Ratio (in times)	2.22	1.42	56.34
Debt Equity Ratio (in times)	0.29	0.79	63.29
Operating Profit Ratio (in %)	8.29	13.12	(36.81)
Net Profit Ratio (in %)	4.47	7.82	(42.84)
Return on Capital Employed (in %)	13.10	26.61	(50.77)
Return on Investment (in %)	9.43	6.88	37.06

#### Internal Control System and their Adequacy

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

#### Material Development in Human resources/ Industrial Relation Front

The company is of firm belief that human resources are the driving force that propels a company towards progress and success and the company is committed to the development of its people. Your company is committed towards building a safe work place with underling safe work practice. The total employee's strength was 7304 as on 31.03.2023. The industrial relations were cordial and satisfactory.

#### Cautionary Statement

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

**For and on behalf of Board of Directors**

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

**Place: Ludhiana**  
**Date: 14.08.2023**



## Independent Auditor's Report

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

We have audited the accompanying Standalone Ind AS financial statements of Nahar Industrial Enterprises Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

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

**Emphasis of Matter**

We draw attention to Note 47 to the Standalone Ind AS Financial Statements, which describe the scheme of amalgamation (the Scheme) between the Company (Transferee Company) and its Associate Company i.e. Cotton County Retail Limited (Transferor Company) which has been approved by the Hon'ble National

Company Law Tribunal (NCLT) under section 230-232 and other applicable provisions of the Companies Act, 2013 vide its order dated February 21, 2023.

The Scheme becomes effective upon filing of the certified copy of the NCLT order with the Registrar of Companies, Chandigarh on March 18, 2023. Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, changes in equity and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

The Board of Directors are also responsible for overseeing the



Company's financial reporting process.

### **Auditor's Responsibility for the Audit of Standalone Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

any identified misstatements in the standalone Ind AS financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement, and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;
  - d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;
  - e. On the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.



In our opinion and to the best of our information and according to the explanations given to us, we report that the managerial Remuneration for the year ended 31st March, 2023 has been paid to its directors in accordance with the provisions of section 197 and schedule V to the act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements.
- ii. The Company do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(h) to the Standalone financial statements);
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or

entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(i) to the Standalone financial statements);

- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement
- v. Since the Company has not declared or paid any dividend during the year, accordingly, commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such accounting software which has a feature of audit trail, with effect from the financial year beginning on 1st April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

**For K R AGGARWAL & ASSOCIATES**  
Chartered Accountants  
FRN NO: 030088N

**Vivek Aneja**  
(Partner)

Place: Ludhiana  
Dated: 30th May, 2023

M.No. 544757  
UDIN: 23544757BGYODY4947

### **"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements." Section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of the audit, and to the best of our knowledge and belief, we report that:

- i. In respect of the Company's Property, Plant, and Equipment and Intangible Assets:
  - (a) (A) The company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant, and Equipment and Investment Property;
  - (B) The company has maintained proper records showing full particulars of Intangible Assets;
- (b) The company has a program of physical verification of Property, Plant, and Equipment to cover most of the items in a phased manner over a period of regular intervals, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of Property, Plant & Equipment were verified by the management

during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification;

- (c) The title deeds of all the immovable properties are held in the name of the company except as disclosed in note 48(b) to the financial statements;
- (d) The company has not revalued its Property, Plant & Equipment or Intangible Assets during the year;
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023, for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made hereunder.
- ii. In our opinion and according to the information and explanations given to us:
  - (a) The physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the



management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us including the revised submissions if any, made by the Company to its lead bankers based on closure of books of accounts at the year end, the quarterly returns or statements comprising stock statements, book debt statements and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- iii. According to the information and explanations given to us and on the basis of examination of books and records by us,
- (a) A. The company has not granted any loans or provided advances in the nature of loans or stood guarantee or provided security to its associates during the year. Accordingly, reporting under clause 3(iii)(a)(A) of the Order is not applicable.
- B. The Company has only granted unsecured loans or advances in the nature of loans to employees as specified below:

Loans to Employees	Amount (₹ in lacs)
Aggregate amount granted during the year	125.59
Balance Outstanding as on 31st March, 2023	79.35

- (b) In respect of the investments made and the terms & conditions of the grant of loans or advances in the nature of loans, as referred to a(B) above, are not prima facie prejudicial to the interest of the Company;
- (c) In respect of loans or advances in the nature of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments are regular;
- (d) There is no overdue amount remaining outstanding as at the balance sheet date in respect of loans or advances in the nature of loans granted by the Company;
- (e) No loans or advances in the nature of loans granted by the Company that have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties;
- (f) The Company has not granted any loans or advances in the nature of loans that are either repayable on demand or without specifying any terms or period of repayment;
- 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 Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the sub section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that prima facie the prescribed records have been maintained. We have, however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:

- (a) The company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, the duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.

Further, we report that no undisputed amount payable with respect to such statutory dues were outstanding as at 31st March, 2023, for a period of more than six months from the date they became payable.

- (b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Employees' State Insurance and Value Added Tax which have not been deposited as at 31st March, 2023 (excluding amount deposited under protest) on account of dispute are given below:

Name of the Statute	Nature of the Dues	Amount (in lacs)	Forum where dispute is pending
Punjab VAT Act, 2005	Sales Tax demand	20.99	DETC Appeal, Ludhiana
	Sales Tax demand	36.75	Sales Tax Tribunal, Chandigarh
The Central Excise Act, 1944	Excise Duty Demand	405.55	Dy. Commissioner, Alwar
Finance Act, 1994	Service Tax Demand	10.09	Dy. Commissioner, Ludhiana
	Service Tax Demand	9.27	The Supreme Court of India
	Service Tax Demand	5.88	CESTAT, Jaipur
	Service Tax Demand	92.03	Commissioner Appeal, Chandigarh
The Income Tax Act 1961	Income Tax Demand	203.65	CIT (Appeals), Ludhiana
The Employee's State Insurance Act 1948	ESI Demand	29.98	Civil Judge (Sr. Div.) ESI Court, Ludhiana

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account,



- in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us:
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
  - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority;
  - (c) Term loans were applied for the purpose for which the loans were obtained;
  - (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company;
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates;
  - (f) The company has not raised any loans on the pledge of securities held in the name of its associates during the year;
- x. In our opinion and according to the information and explanations given to us:
- (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company;
  - (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company;
- xi. In our opinion and according to the information and explanations given to us:
- (a) No fraud by or on the company has been noticed or reported during the course of our audit;
  - (b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
  - (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year;
- xii. The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the order is not applicable to the Company;
- xiii. According to the information and explanations given to us and on the basis of records of the Company examined by us, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards;
- xiv. (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the reports issued by the internal auditor of the company till date for the period under audit.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, reporting under clause 3(xv) of the Order is not applicable;
- xvi. (a) The provisions of Section 45-1A of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company;
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company;
- (d) According to the information and explanations given to us, there are two Core Investment Companies within the Group (As defined in the Core Investment Companies [Reserve Bank] Directions, 2016).
- xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year;
- xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the order is not applicable to the Company;
- xix. On the basis of the financial ratios disclosed in note 48(a) to the Standalone Ind AS Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying Standalone Ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- xx. The Company has fully spent the required amount towards



Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

**For K R AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. 030088N

**Vivek Aneja**

(Partner)

M.No. 544757

UDIN: 23544757BGYODY4947

Place: Ludhiana

Dated: 30th May, 2023

### **“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal And Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited (“the Company”) as of 31st March, 2023 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K R Aggarwal & Associates**

Chartered Accountants

FRN NO:-030088N

**Vivek Aneja**

Partner

M.NO.544757

UDIN: 23544757BGYODY4947

Place : Ludhiana

Dated: 30<sup>th</sup> May, 2023



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

Particulars	Note No.	As At 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As At 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	3a	46,041.99	46,738.49
b) Capital work in progress	3b	3,367.05	502.64
c) Investment Property	4	7,260.10	6,220.71
d) Intangible assets	5	--	--
<b>e) Financial Assets</b>			
i) Investments	6a	6,460.75	8,255.64
ii) Other financial assets	6b	1,837.77	1,224.37
f) Other non current assets	7	529.45	571.83
<b>Total Non-Current Assets</b>		<b>65,497.11</b>	<b>63,513.68</b>
<b>Current Assets</b>			
a) Inventories	8	42,658.94	73,323.21
<b>b) Financial Assets</b>			
i) Investments	9a	613.81	--
ii) Trade receivables	9b	16,365.94	27,679.55
iii) Cash and cash equivalents	9c	52.42	64.52
iv) Other bank balances	9d	268.20	484.52
v) Loans	9e	79.35	75.52
vi) Other Financial assets	9f	13.14	2,211.80
c) Current Tax Assets (Net)	10	15.24	326.75
d) Other Current Assets	11	9,305.24	13,476.78
<b>Total Current Assets</b>		<b>69,372.28</b>	<b>117,642.65</b>
<b>Non Current Assets held for sale</b>	12	--	622.70
<b>TOTAL ASSETS</b>		<b>134,869.39</b>	<b>181,779.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	13	4,340.47	4,003.42
b) Other Equity	14	90,673.15	84,828.23
<b>Total Equity</b>		<b>95,013.62</b>	<b>88,831.65</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings	15a	5,961.28	8,032.42
ii) Other Financial Liabilities	15b	316.02	190.00
b) Provisions	16	--	19.62
c) Deferred tax liabilities (Net)	17	2,248.12	1,904.09
d) Other non-current liabilities	18	60.63	60.30
<b>Total Non-Current Liabilities</b>		<b>8,586.05</b>	<b>10,206.43</b>
<b>Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings	19a	21,689.09	62,373.44
ii) Trade Payables	19b		
a. Total outstanding dues of micro enterprises and small enterprises and		245.79	1,766.77
b. Total outstanding dues of creditors others than micro enterprises and small enterprises		5,005.25	13,801.34
iii) Other Financial Liabilities	19c	3,092.06	3,201.66
b) Other Current Liabilities	20	1,015.34	1,508.28
c) Provisions	21	222.19	89.46
<b>Total Current Liabilities</b>		<b>31,269.72</b>	<b>82,740.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>134,869.39</b>	<b>181,779.03</b>

The accompanying notes form an integral part of these financial statements 1 to 51

As per our separate report of even date attached  
**For K R AGGARWAL & ASSOCIATES**  
Chartered Accountants  
FRN : 030088N

For and on behalf of the Board

**Vivek Aneja**  
Partner  
M.No. : 544757  
Place : Ludhiana  
Dated : 30<sup>th</sup> May, 2023

**Mukesh Sood**  
Company Secretary

**Bharat Bhushan Gupta**  
Chief Financial Officer

**Dinesh Gogna**  
Director  
(DIN : 00498670)

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



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

<b>Particulars</b>	<b>Note No.</b>	<b>Current Year (₹ in Lacs)</b>	<b>Previous Year (₹ in Lacs)</b>
<b>INCOME</b>			
Revenue from Operations	22	177,387.37	200,635.85
Other Income	23	4,324.13	1,580.93
<b>Total Income</b>		<b>181,711.50</b>	<b>202,216.78</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24	92,178.68	113,802.17
Purchases of stock-in-trade	25	3,092.93	5,150.04
Change in inventories of Finished Goods, Work-in-Progress and stock in trade	26	9,931.07	(13,398.30)
Employee Benefit Expense	27	16,582.48	16,312.81
Finance Costs	28	3,766.12	5,558.94
Depreciation and Amortisation Expense	3,4,5	4,833.50	4,983.81
Other Expenses	29	41,100.55	48,251.97
<b>Total Expenses</b>		<b>171,485.33</b>	<b>180,661.44</b>
<b>Profit before exceptional items and tax</b>		<b>10,226.17</b>	<b>21,555.34</b>
Exceptional items		--	--
CSR expenses u/s 135 of Companies Act,2013		116.09	--
<b>Profit Before Tax</b>		<b>10,110.08</b>	<b>21,555.34</b>
Tax expense	30		
Current tax		1,860.00	3,880.12
Deferred tax		323.04	1,994.09
<b>Profit After Tax for the period</b>		<b>7,927.04</b>	<b>15,681.13</b>
<b>Other Comprehensive Income (OCI)</b>			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		83.39	(357.59)
Income tax effect on the above		(20.99)	90.00
(ii) Net Gain/(loss) on FVOCI equity instruments		(1.78)	3.08
Income tax effect on the above		--	--
<b>Total Other Comprehensive Income/(Loss)</b>		<b>60.62</b>	<b>(264.51)</b>
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		<b>7,987.66</b>	<b>15,416.62</b>
<b>Basic and diluted earnings per equity share (Face value of equity share ₹10 each)</b>	<b>37</b>	<b>19.89</b>	<b>39.37</b>

The accompanying notes form an integral part of these financial statements **1 to 51**

As per our separate report of even date attached  
**For K R AGGARWAL & ASSOCIATES**  
Chartered Accountants  
FRN : 030088N

For and on behalf of the Board

**Vivek Aneja**  
Partner  
M.No. : 544757  
Place : Ludhiana  
Dated : 30<sup>th</sup> May, 2023

**Mukesh Sood**  
Company Secretary

**Bharat Bhushan Gupta**  
Chief Financial Officer

**Dinesh Gogna**  
Director  
(DIN : 00498670)

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



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

<b>Particulars</b>	<b>2022-23 (₹ in Lacs)</b>	<b>2021-22 (₹ in Lacs)</b>
<b>(A) Cash Flow from Operating Activities</b>		
Net Profit before Tax	10,110.08	21,555.34
Adjustment for:		
Depreciation	4,833.50	4,983.81
Other Income	(23.67)	(14.05)
Rent	6.26	6.26
Remeasurement of defined benefit plan	83.39	(357.59)
Sundry balances written off/(written back) (Net)	(17.31)	372.02
Profit on sale of Property, Plant and Equipment (Net)	(2,623.78)	(262.65)
Dividend Received	(19.32)	(20.50)
Interest Income	(190.53)	(73.69)
Rent Income	(1,326.40)	(911.95)
Interest Expense	3,766.12	5,558.94
<b>Operating Profit before Working Capital Changes</b>	<b>14,598.34</b>	<b>30,835.94</b>
Adjustment for:		
Trade receivable & other assets	17,316.60	(3,746.51)
Inventories	30,664.27	(21,891.99)
Trade Payables & Other Liabilities	(10,678.11)	7,112.18
<b>Cash Generated from operations</b>	<b>51,901.10</b>	<b>12,309.62</b>
Direct Taxes Paid	(1,548.48)	(3,849.84)
Net Cash from Operating Activities	50,352.62	8,459.78
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment (Inc. investment property)	(8,509.51)	(5,031.62)
Sale of property, Plant and Equipment (Inc. investment property)	3,715.20	746.29
Net Increase In asset on amalgamation	375.44	--
Dividend Received	19.32	20.50
Interest Received	187.17	71.50
Rent Income	1,326.40	911.95
Purchase of current investment	(610.39)	--
Purchase of Non-Current investment	(2,000.00)	(227.50)
Net cash used in Investing Activities	(5,496.37)	(3,508.88)
<b>(C) Cash Flow from Financing Activities</b>		
Interest Expenses	(3,646.18)	(5,435.03)
Dividend paid	(0.16)	(22.40)
Proceeds from Long Term Borrowings (Net)	(3,011.50)	(4,727.42)
Changes in Working Capital Borrowings	(38,210.51)	5,283.69
<b>Net Cash used in Financing Activities</b>	<b>(44,868.35)</b>	<b>(4,901.16)</b>
Net Change in Cash & Cash Equivalents (A+B+C)	(12.10)	49.74
Opening Cash & Cash Equivalents	64.52	14.78
Closing Cash & Cash Equivalents	52.42	64.52

- Notes:** 1. Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.  
2. Figures in brackets represent deduction.  
3. Refer note no. 46, debt reconciliation as per Ind AS - 7 "Statement of Cash Flows"

As per our separate report of even date attached  
**For K R AGGARWAL & ASSOCIATES**  
Chartered Accountants  
FRN : 030088N

For and on behalf of the Board

**Vivek Aneja**  
Partner  
M.No. : 544757  
Place : Ludhiana  
Dated : 30<sup>th</sup> May, 2023

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



**Statement of Changes in Equity for the Year ended 31<sup>st</sup> March 2023**

Particulars	2022-23 (₹ in Lacs)	2021-22 (₹ in Lacs)			
<b>A. Equity Share Capital</b>					
Balance at the beginning of the reporting year	4,003.42	4,003.42			
Changes in Equity Share Capital during the reporting year	<b>*337.05</b>	--			
Balance at the closing of the reporting year	<b>4,340.47</b>	4,003.42			
*allotted pursuant to Effect of Business Combination					
<b>B. Other Equity</b>					
	<b>Reserve &amp; Surplus</b>				
Particulars	Security Premium	General Reserve	Retained Earnings	Equity Component of compound Financial Instruments (Preference Share)	Total
<b>Balance as at 1st April, 2021 (a)</b>	<b>33,454.08</b>	<b>26,298.65</b>	--	<b>9,658.88</b>	<b>69,411.61</b>
Profit for the year	--	--	15,681.13	--	15,681.13
Remeasurement gain/(loss) on Defined benefit plan	--	--	(267.59)	--	(267.59)
Other Comprehensive Income/(Loss)	--	--	3.08	--	3.08
<b>Total Comprehensive Income for the year (b)</b>	--	--	<b>15,416.62</b>	--	<b>15,416.62</b>
Transfer from Retained Earning	--	15,416.62	--	--	15,416.62
Transfer to General Reserve	--	--	(15,416.62)	--	(15,416.62)
<b>Total (c)</b>	--	<b>15,416.62</b>	<b>(15,416.62)</b>	--	--
<b>Balance as at 31<sup>st</sup> March, 2022 (d) = (a+b+c)</b>	<b>33,454.08</b>	<b>41,715.27</b>	--	<b>9,658.88</b>	<b>84,828.23</b>
Profit for the year	--	--	7,927.04	--	7,927.04
Remeasurement gain/(loss) on Defined benefit plan	--	--	62.40	--	62.40
Other Comprehensive Income/(Loss)	--	--	(1.78)	--	(1.78)
<b>Total Comprehensive Income for the year (e)</b>	--	--	<b>7,987.66</b>	--	<b>7,987.66</b>
Effect of Business Combination	7,763.57	(3,585.31)	--	(6,321.00)	(2142.74)
Transfer from Retained Earning	--	7,987.66	--	--	7,987.66
Transfer to General Reserve	--	--	(7,987.66)	--	(7,987.66)
<b>Total (f)</b>	<b>7,763.57</b>	<b>4,402.35</b>	<b>(7,987.66)</b>	<b>(6,321.00)</b>	<b>(2,142.74)</b>
<b>Balance as at 31<sup>st</sup> March, 2023 (g) = (d+e+f)</b>	<b>41,217.65</b>	<b>46,117.62</b>	--	<b>3,337.88</b>	<b>90,673.15</b>

As per our separate report of even date attached  
**For K R AGGARWAL & ASSOCIATES**  
 Chartered Accountants  
 FRN : 030088N

For and on behalf of the Board

**Vivek Aneja**  
 Partner  
 M.No. : 544757  
 Place : Ludhiana  
 Dated : 30<sup>th</sup> May, 2023

**Mukesh Sood**  
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 (DIN : 00498670)

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



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**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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**Note: 1 Background**

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

**Note: 2 Significant accounting policies**

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

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

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

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

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

**(ii) Historical Cost Convention**

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

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

**(iii) Rounding of amounts**

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

**(iv) Recent Accounting Pronouncements****Standards issued but not yet effective:**

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS as explained below:

**Ind AS 1 – Presentation of Financial Statements**

The amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

**Ind AS 12 – Income taxes**

The definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

The above amendments are effective from annual periods beginning on or after 1st April, 2023.

**(b) Fair Value Measurement**

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



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**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

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

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

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

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

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

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

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

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

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

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

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

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

**(c) Current versus non-current classification**

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

**(d) Property, plant and equipment**

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

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their useful lives. In case of new projects and major expansion of the existing units undertaken by the Company after 1st April, 2005 till 31st March, 2012, Depreciation charged on the Straight line method. Leasehold land is amortised over period of lease. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

**(e) Investment properties**

Property that is held for long term rental yields or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on the basis of Written Down Value Method based on expected life span of assets which is in accordance with Schedule II of the Companies Act, 2013.



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**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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Significant parts of the property are depreciated separately based on their specific useful lives. Any gain or loss on disposal of investment properties is recognised in profit or loss account

**(f) Intangible assets Computer Software**

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

**(g) Non- Current Asset 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 a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale.

**(h) Impairment of Non-financial assets**

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

**(i) Inventories**

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

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

**(j) Borrowing costs**

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

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

**(k) Government Grant**

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

**(l) Provisions, Contingent liabilities and Contingent Assets**

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

**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

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

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

**Measurement of foreign currency items at reporting date:**

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

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

**(n) Revenue recognition**

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

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

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

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

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

**Sale of goods**

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

**Rendering of services**

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

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

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

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

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

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

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



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**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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**(o) Short-term leases and leases of low-value assets**

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

**(p) Income Tax**

Income tax expense comprises current income tax and deferred tax.

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

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

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

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

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

**(q) Cash and cash equivalents**

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

**(r) Trade receivables**

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

**(s) Financial instruments**

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

**Initial Recognition:**

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

**Classification and Subsequent Measurement: Financial Assets**

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

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

**Amortised Cost:**

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and





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**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through OCI:**

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

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

**Fair Value through Profit or Loss:**

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

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

**Impairment of financial assets:**

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

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

**Derecognition of financial assets:**

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

**Classification and Subsequent Measurement: Financial liabilities:**

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

**Financial Liabilities at FVTPL:**

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

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

**Other Financial Liabilities**

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

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

**Derecognition of financial liabilities**

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

**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

the statement of profit and loss.

**(t) Offsetting financial instruments**

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

**(u) Derivative financial instruments**

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

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

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

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

**(ii) Post-employment obligations**

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

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

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

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

**(iii) Defined contribution plans**

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

**(w) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. The Company has Operating segments comprising of Textile, Sugar and Others.

**(x) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities when payment is due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(y) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the



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**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

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

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company

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

**(ii) Diluted earnings per share**

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

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

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

**Note: 2.1 Critical estimates and judgements**

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

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

**Critical estimates and judgements**

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable -
- 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.



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars		GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK	
		As at 01.04.2022	As at 31.03.2023	Upto 31.03.2022	Effect of Business Combination	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2023	As at 31.03.2023	As at 31.03.2022			
Lease Hold Land	123.49	--	--	35.36	--	1.25	--	36.61	86.88	88.13			
Free Hold Land	10,142.87	--	357.17	10,198.14	--	--	--	--	10,198.14	10,142.87			
Building	33,470.23	--	12.17	19,577.89	--	948.91	*(78.04)	20,604.84	13,147.26	13,892.34			
Plant & Machinery	142,973.70	477.85	3,597.21	121,063.35	416.53	3,339.92	3,411.43	121,408.37	21,906.19	21,910.35			
Furniture & Fixtures	977.57	16.52	4.71	847.28	15.64	33.55	40.60	855.87	99.90	130.29			
Office Equipment	1,343.55	76.10	86.33	1,150.77	72.39	90.94	96.43	1,217.67	187.87	192.78			
Vehicles	1,813.23	1.72	214.86	1,431.50	1.63	150.46	105.61	1,477.98	415.75	381.73			
<b>Total</b>	<b>190,844.64</b>	<b>572.19</b>	<b>4,272.45</b>	<b>144,106.15</b>	<b>506.19</b>	<b>4,565.03</b>	<b>3,576.03</b>	<b>145,601.34</b>	<b>46,041.99</b>	<b>46,738.49</b>			
Previous year	195,313.56	--	3,874.80	146,548.19	--	4,794.00	7,236.04	144,106.15	46,738.49	48,765.37			

\*Amount transferred from Non-Current Assets Held for Sale of ₹ 191.66 lacs (Gross Block of ₹ 269.70 lacs and accumulative depreciation of ₹ 78.04 lacs)

**3(b). CAPITAL WORK IN PROGRESS (CWIP)**

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 year	2-3 year more than 3 years
CWIP	3,367.05	--	--
<b>Total</b>	<b>3,367.05</b>	<b>502.64</b>	<b>3,367.05</b>

(₹ In Lacs)



**Notes to Financial Statements for the year ended 31st March, 2023**

		GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK	
		As at 01.04.2022	Effect of Business Combination	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2023	Upto 31.03.2022	Effect of Business Combination	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
<p><b>4. INVESTMENT PROPERTY</b> <span style="float: right;">(₹ in Lacs)</span></p>													
Particulars	As at 01.04.2022	Effect of Business Combination	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2023	Upto 31.03.2022	Effect of Business Combination	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2023	As at 31.03.2023	As at 31.03.2022	
Free Hold Land Building	715.57	--	*39.17	--	754.74	--	--	--	--	--	754.74	715.57	
	6,441.94	--	1,268.69	--	7,710.63	936.80	--	268.47	--	1,205.27	6,505.36	5,505.14	
<b>Total</b>	<b>7,157.51</b>	<b>--</b>	<b>1,307.86</b>	<b>--</b>	<b>8,465.37</b>	<b>936.80</b>	<b>--</b>	<b>268.47</b>	<b>--</b>	<b>1,205.27</b>	<b>7,260.10</b>	<b>6,220.71</b>	
Previous year	5,348.60	--	1,808.91	--	7,157.51	746.99	--	189.81	--	936.80	6,220.71	4,601.61	
<p>*Addition during the year included ₹1.21 Lacs in Gross Block being Transferred from Property, Plants and Equipments.</p>													
<p><b>Amount recognised in profit &amp; loss for investment properties:</b></p>													
Particulars													
Rental Income	31.03.2023												
Direct operating expenses that generated rental income	1,311.37												
<b>Profit/(loss) from leasing of investment properties</b>	<b>556.55</b>												
	<b>754.82</b>												
<p><b>5. OTHER INTANGIBLE ASSETS</b> <span style="float: right;">(₹ in Lacs)</span></p>													
		GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK	
Particulars	As at 01.04.2022	Effect of Business Combination	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2023	Upto 31.03.2022	Effect of Business Combination	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2023	As at 31.03.2023	As at 31.03.2022	
Computer Software	458.31	100.91	--	--	559.22	458.31	100.91	--	--	559.22	--	--	
<b>Total</b>	<b>458.31</b>	<b>100.91</b>	<b>--</b>	<b>--</b>	<b>559.22</b>	<b>458.31</b>	<b>100.91</b>	<b>--</b>	<b>--</b>	<b>559.22</b>	<b>--</b>	<b>--</b>	
Previous year	458.31	100.91	--	--	458.31	458.31	100.91	--	--	458.31	--	--	



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs )	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs )
<b>6a. Investments</b>		
<b>(i) Investment in Equity Instrument</b>		
<b>Investment in Associates (Unquoted) (Cost)</b>		
180,000 Fully Paid Up Equity shares of ₹ 100/- each of J.L. Growth Fund Limited (Previous Year 180,000)	1,684.80	1,684.80
250,000 Fully Paid Up Equity shares of ₹ 100/- each of Vardhman Investment Limited (Previous Year 250,000)	1,475.00	1,475.00
164,000 Fully Paid Up Equity shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	1,066.00	1,066.00
Nil Fully Paid Up Equity shares of ₹ 10/- each of Cotton County Retail Limited (Previous Year 10,228,441)*	--	3,793.12
* Reduced ₹ 3793.12 lacs pursuant to effect of business combination		
<b>Sub Total</b>	<b>4,225.80</b>	<b>8,018.92</b>
<b>(ii) Investment in Equity Instrument</b>		
<b>Investments at fair value through OCI</b>		
<b>Investment in others (Quoted)</b>		
12,555 Fully Paid Up Equity shares of ₹ 10/- each of Pasupati Acrylon Ltd. (Previous Year 12,555)	3.09	4.86
50 Fully Paid Up Equity shares of ₹ 10/- each of Malwa Cotton Spinning Mills Limited (Previous Year 50)	0.02	0.02
<b>Sub Total</b>	<b>3.11</b>	<b>4.88</b>
<b>(iii) Investment in Equity Instrument</b>		
<b>Investments at fair value through OCI</b>		
<b>Investment in others (Unquoted)</b>		
30,900 Fully paid up Equity shares ₹ 10/- each of BPL Engineering Ltd. (Previous Year 30,900)	2.80	2.80
22,500 Fully paid up Equity shares ₹ 10/- each of Pertech Computer Ltd. (Previous Year 22,500)	0.23	0.23
7,700 Fully Paid up Equity shares ₹ 10/- each of R.S. Petro Chemical Ltd. (Previous Year 7,700)	0.08	0.08
3,360 Fully paid up Equity shares ₹ 100/- each of Nagdevi Trading & Investment Co. Ltd. (Previous Year 3,360)	0.51	0.51
3,558,786 Fully paid up Class-'A' Equity shares ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,558,786)	0.36	0.36
One Fully paid up Equity share ₹ 100/- each of Punjab State Co-operative Bank Ltd. (Previous Year One)	--	--
One Fully paid up Equity share ₹ 5,000/- each of Krishna Building Owners Association (Previous Year One)	0.05	0.05
<b>Sub Total</b>	<b>4.03</b>	<b>4.03</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>(iv) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted) (Others)</b>		
<b>At Amortised Cost</b>		
3,156,958 Fully paid up Class 'A' 0.01% Cumulative Redeemable Preference Shares ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,156,958)	0.31	0.31
<b>Sub Total</b>	<b>0.31</b>	<b>0.31</b>
<b>(v) INVESTMENT IN NON-CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted) (Others)</b>		
<b>At Amortised Cost</b>		
4,000,000 Unlisted 5% Non - Cumulative Redeemable Preference Share face value of ₹ 100/- each at par (Partly paid up of ₹ 50/- each) of Owm Poly Yarn Limited (Previous Year Nil)	2,000.00	--
<b>Sub Total</b>	<b>2,000.00</b>	<b>--</b>
<b>(vi) Investment in Limited liability partnership (LLP) (Unquoted) (Cost)</b>		
26% share of OWM Renew LLP (Associate)	227.50	227.50
<b>Sub Total</b>	<b>227.50</b>	<b>227.50</b>
<b>TOTAL (i+ii+iii+iv+v+vi)</b>	<b>6,460.75</b>	<b>8,255.64</b>
1. Market Value of Quoted Investment	3.11	4.88
2. Aggregate amount of Unquoted Investment	6,457.64	8,250.76
3. Aggregate amount of Total Investment	6,460.75	8,255.64
<b>6b. Other Financial Assets</b> (Unsecured, considered good)		
Security deposits	1,837.77	1,224.37
<b>Total</b>	<b>1,837.77</b>	<b>1,224.37</b>
<b>7. Other Non-Current Assets</b>		
Capital Advances	335.56	335.56
Prepaid Lease Rentals	6.26	12.51
Prepaid Expense	187.63	223.76
<b>Total</b>	<b>529.45</b>	<b>571.83</b>
<b>8. Inventories</b> (As taken, valued and approved by management)		
Raw Materials	11,367.38	32,127.90
Work-in-Progress	3,156.02	4,346.77
Finished Goods	24,782.46	33,489.83
Stores and Spares	3,353.08	3,358.71
<b>Total</b>	<b>42,658.94</b>	<b>73,323.21</b>
<b>8.1 Detail of Inventory-Finished Goods</b>		
Yarn	4,794.12	7,837.05
Fabrics	6,632.16	10,449.63
Sugar	11,295.20	13,053.80
Other	2,060.98	2,149.35
<b>Total</b>	<b>24,782.46</b>	<b>33,489.83</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>9a. Investments</b>		
<b>Investment in Debentures /Bonds (Quoted) at fair value through Profit and Loss</b>		
20 Units of ₹ 1,000,000 each of 9.10% Tata International Limited Perpetual bond (Previous Year Nil)	200.96	--
20 Units of ₹ 1,000,000 each of 9.95% U.P. Power Corporation Limited bond (Previous Year Nil)	205.69	--
26,300 units of ₹ 950/- each of 6.75% Pirammal Capital and Housing Finance Limited Debenture (Previous Year Nil)	207.16	--
<b>Total</b>	<b>613.81</b>	<b>--</b>
Market value of quoted investment	613.81	--
<b>9b. Trade receivables</b>		
(Unsecured, considered good)	16,365.94	27,679.55
<b>Total</b>	<b>16,365.94</b>	<b>27,679.55</b>

**Trade Receivables Ageing Schedule as on 31<sup>st</sup> March, 2023**

(₹ in Lacs)

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	14,505.58	1,734.53	93.37	23.05	0.57	8.84	16,365.94
(ii) Undisputed Trade Receivables - which have a significant increase in credit risk	--	--	--	--	--	--	--
(iii) Undisputed Trade Receivables - credit impaired	--	--	--	--	--	--	--
(iv) Disputed Trade Receivables - considered good	--	--	--	--	--	--	--
(v) Disputed Trade Receivables - which have a significant increase in credit risk	--	--	--	--	--	--	--
(vi) Disputed Trade Receivables - credit impaired	--	--	--	--	--	--	--

**Trade Receivables Ageing Schedule as on 31<sup>st</sup> March, 2022**

(₹ in Lacs)

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	25,969.38	1,646.44	29.30	7.03	4.56	22.84	27,679.55
(ii) Undisputed Trade Receivables - which have a significant increase in credit risk	--	--	--	--	--	--	--
(iii) Undisputed Trade Receivables - credit impaired	--	--	--	--	--	--	--
(iv) Disputed Trade Receivables - considered good	--	--	--	--	--	--	--
(v) Disputed Trade Receivables - which have a significant increase in credit risk	--	--	--	--	--	--	--
(vi) Disputed Trade Receivables - credit impaired	--	--	--	--	--	--	--





**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>9c. Cash and cash equivalents</b>		
Balances with banks - current accounts	35.66	27.48
Cash-in-Hand	16.76	37.04
<b>Total</b>	<b>52.42</b>	<b>64.52</b>
<b>9d. Other bank balances</b>		
Unpaid Dividend Account	60.16	60.32
Fixed deposit having original maturity more than 3 months but less than 12 months	208.04	424.20
<b>Total</b>	<b>268.20</b>	<b>484.52</b>
<b>9e. Loans</b>		
(Unsecured, considered good)		
Loans to employees	79.35	75.52
<b>Total</b>	<b>79.35</b>	<b>75.52</b>
<b>9f. Other Financial assets</b>		
(Unsecured, considered good)		
FDR Interest accrued	8.64	4.14
Derivative Assets	4.50	19.53
Government Grant Receivables	--	2,188.13
<b>Total</b>	<b>13.14</b>	<b>2,211.80</b>
<b>10. Current tax assets (Net)</b>		
Advance Income Tax/TDS Certificate	15.24	326.75
<b>Total</b>	<b>15.24</b>	<b>326.75</b>
<b>11. Other current assets</b>		
Advances to suppliers	3,444.43	4,634.93
Advances to employees	50.57	43.18
Balance with government authorities	5,297.57	7,996.84
Prepaid expenses	349.16	475.39
Prepaid Lease rentals	6.26	6.26
Gratuity fund	103.43	--
Expense recoverable	53.82	320.18
<b>Total</b>	<b>9,305.24</b>	<b>13,476.78</b>
<b>12. Non-current assets held for sale</b>		
Assets held for disposal	--	622.70
<b>Total</b>	<b>--</b>	<b>622.70</b>
<b>13. Authorized Share Capital :</b>		
100,000,000 Equity Shares of ₹ 10/- each (Previous Year 50,000,000)	10,000.00	5,000.00
10,550,000 Preference Shares of ₹ 100/- each (Previous Year 12,500,000)	10,550.00	12,500.00
<b>Total</b>	<b>*20,550.00</b>	<b>17,500.00</b>
* Increased ₹ 3,050 Lacs pursuant to effect of business combination.		
<b>Issued, Subscribed and Fully Paid up:</b>		
39,835,141 Equity Shares of ₹ 10/- each (Previous Year 39,835,141)	3,983.51	3,983.51
Add: 33,70,440 Equity Shares of ₹ 10/- each allotted pursuant to Effect of Business Combination	337.05	--
Add: Share Forfeited Account (Amount originally paid up)	19.91	19.91
<b>Total</b>	<b>4,340.47</b>	<b>4,003.42</b>
4,000,000 Unlisted 5.5% Non-Convertible Non-Cummulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 11,620,000)	*4,000.00	11,620.00
<b>Total</b>	<b>**4,000.00</b>	<b>11,620.00</b>

\*\* Reduced amount of ₹ 7,620 lacs pursuant to effect of business combination.



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

\* ₹ 3,337.88 Lacs (Previous Year ₹ 9,658.88 Lacs) shown as Equity Component of Compound financial instruments under the head Other Equity (note no. 14)

\* ₹ 880.17 Lacs (Previous Year ₹ 2,415.61 Lacs) shown as Liability Component of Compound financial instruments under the head Borrowings (note no. 15a(ii))

\* ₹ 12.93 Lacs (Previous year ₹ 82.50 Lacs) being statutory fees paid in earlier years was reduced and shown as net in Rate & Taxes as per Ind-AS

\* ₹ 230.98 Lacs (Previous Year ₹ 536.99 Lacs) shown as interest expense provided under the head finance cost as per Ind-AS

**a. Reconciliation of the number of Shares outstanding :**

**Equity Shares**

At the beginning of the year	<b>39,835,141</b>	39,835,141
Add: Shares pursuant to Effect of Business Combination during the period	<b>3,370,440</b>	--
Outstanding at the end of year	<b>43,205,581</b>	39,835,141

**Preference Shares**

At the beginning of the year	<b>11,620,000</b>	11,620,000
Less: Shares pursuant to Effect of Business Combination during the period	<b>7,620,000</b>	--
Outstanding at the end of year	<b>4,000,000</b>	11,620,000

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

**Equity Shares**

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

**Preference Shares**

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

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

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

Particulars	As At 31st March, 2023		As At 31st March, 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
<b>Shareholders</b>				
<b>Equity Share</b>				
J.L. Growth Fund Ltd.	<b>7,476,586</b>	<b>17.30</b>	6,446,456	16.18
Vardhman Investment Ltd.	<b>4,770,131</b>	<b>11.04</b>	3,915,131	9.83
Oswal Woollen Mills Ltd.	<b>2,094,819</b>	<b>4.85</b>	2,094,819	5.26
Nagdevi Trading & Investment Co. Ltd.	<b>2,386,839</b>	<b>5.52</b>	2,354,279	5.91
Kovalam Investment & Trading Co. Ltd.	<b>6,189,679</b>	<b>14.33</b>	6,168,408	15.48
Atam Vallabh Financiers Ltd.	<b>4,007,679</b>	<b>9.28</b>	3,212,679	8.06
Vanaik Investor Ltd.	<b>3,221,486</b>	<b>7.46</b>	2,753,275	6.91
<b>Preference Share</b>				
Cotton County Retail Ltd.	--	--	7,620,000	65.58
Nahar Capital & Financial Services Ltd.	<b>4,000,000</b>	<b>100.00</b>	4,000,000	34.42



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**d. Disclosure of Shareholding of Promoters in Equity Shares.**

Promoter Name	As At 31st March, 2023		As At 31st March, 2022		% change during the Year
	Number of Shares	% of holding	Number of Shares	% of holding	
<b>Equity Share</b>					
Jawahar Lal Oswal	1,000	--	1,000	--	--
Kamal Oswal	1,294	--	1,294	--	--
Dinesh Oswal	1,000	--	1,000	--	--
Manisha Oswal	1,000	--	1,000	--	--
Rishabh Oswal	9,039	0.02	1,000	--	803.90
Abhinav Oswal	9,039	0.02	1,000	--	803.90
Sanjana Oswal	9,039	0.02	1,000	--	803.90
Sambhav Oswal	500	--	500	--	--
Tanvi Oswal	500	--	500	--	--
Ritu Oswal	500	--	500	--	--
J.L. Growth Fund Ltd.	7,476,586	17.30	6,446,456	16.18	15.98
Vardhman Investment Ltd.	47,70,131	11.04	3,915,131	9.83	21.84
Oswal Woollen Mills Ltd.	2,094,819	4.85	2,094,819	5.26	--
Nagdevi Trading & Investment Co. Ltd.	2,386,839	5.52	2,354,279	5.91	1.38
Kovalam Investment & Trading Co. Ltd.	6,189,679	14.33	6,168,408	15.48	0.34
Atam Vallabh Financiers Ltd.	4,007,679	9.28	3,212,679	8.06	24.75
Vanaik Investor Ltd.	3,221,486	7.46	2,753,275	6.91	17.01
Nahar Growth Fund Pvt. Ltd.	245,792	0.57	2,45,792	0.62	--
Abhilash Growth Fund Pvt. Ltd.	355,143	0.82	1,93,545	0.49	83.49
<b>Total</b>	<b>30,781,065</b>	<b>71.24</b>	<b>27,393,178</b>	<b>68.77</b>	

**14. Other Equity**

**Securities Premium Account**

Balance as per last Balance Sheet	33,454.08		33,454.08	
Add: Effect of Business Combination	<u>7,763.57</u>		--	
		<b>41,217.65</b>		<b>33,454.08</b>

**Equity Component of Compound financial instruments (Preference Shares)**

Balance as per last Balance Sheet	9,658.88		9,658.88	
Less: Effect of Business Combination	<u>6,321.00</u>	<b>3,337.88</b>	--	<b>9,658.88</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>General Reserve</b>		
Balance as per last Balance Sheet	41,715.27	26,298.65
Add: Transfer from Retained Earning	7,987.66	15,416.62
Less: Effect of Business Combination	<u>3,585.31</u>	<u>--</u>
	<b>46,117.62</b>	<b>41,715.27</b>
<b>Retained Earnings</b>		
Balance as per last Balance Sheet	--	--
Add: Profit for the year	7,927.04	15,681.13
Add: Remeasurement gain/(loss) on defined benefit plan	62.40	(267.59)
Add: Other Comprehensive income	(1.78)	3.08
Balance Transferred to General Reserve	<u>(7,987.66)</u>	<u>(15,416.62)</u>
	<b>--</b>	<b>--</b>
<b>Total</b>	<b><u>90,673.15</u></b>	<b><u>84,828.23</u></b>
<b>15a. Borrowings</b>		
<b>*Term loans (Secured)</b>		
From Banks	5,081.11	5,616.81
<b>Others Unsecured</b>		
i) Liability component of Compound financial instruments Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Share (NCNCRPS)	880.17	2,415.61
<b>Total</b>	<b><u>5,961.28</u></b>	<b><u>8,032.42</u></b>

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

**15a.1** Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2023.

Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans

As At 31st March, 2023 (₹ in Lacs)*	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2023	
		No.	Periodicity
1,229.36	5	4	Quarterly
389.82	9	29	Quarterly
1,941.98	5	17	Quarterly
14.91	5	1	Quarterly
1,838.59	7	72	Monthly
324.73	8	84	Monthly
1,587.15	8.5	92	Monthly
451.01	8	84	Monthly
27.10	5	19	Monthly
14.98	1	6	Monthly
<b><u>7,819.63</u></b>			



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

\* Figures of term loan stated in para 15a .1 (i) includes current maturities of Long term debt shown separately in notes no. 19a and exclude ₹ 2.50 Lacs transaction cost amortised over the period of Term loan.

- Term Loan from Indian Bank, Punjab National Bank and Canara Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali, Industrial Focal Point, Phase-VIII, Village Mundian, Distt. Ludhiana, Village Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan) and Village Salana Jeon Singh Wala, Tehsil Amluh, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.
  - Term Loan (secured) includes ₹ 42.08 Lacs as vehicle loan taken from ICICI Bank and damlier against hypothecation of the respective Vehicles only.
  - Term loan (secured) includes ₹ 4,201.48 Lacs as LRD facility taken from HDFC Bank Ltd. against exclusive charge on the title deeds situated at Focal Point, Phase-IV, Ludhiana.
- ii) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.

**15a.2** Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2022.

Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans

As At 31st March, 2022 (₹ in Lacs)*	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2022	
		No.	Periodicity
612.24	6	3	Quarterly
29.09	5	1	Quarterly
863.68	5	3	Quarterly
2,361.74	5	8	Quarterly
19.77	5	1	Quarterly
593.18	13.75	44	Quarterly
1,612.88	5	20	Quarterly
15.00	5	20	Quarterly
2,080.00	7	84	Monthly
360.00	8	96	Monthly
12.04	3	11	Monthly
42.37	5	32	Monthly
130.86	2.5	8	Monthly
<b>8,732.85</b>			

\* Figures of term loan stated in para 15a.2 (i) includes current maturities of Long term debt shown separately in notes no. 19a and exclude ₹ 4.47 Lacs transaction cost amortised over the period of Term loan.

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



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<ul style="list-style-type: none"> <li>● Term Loan (secured) includes ₹ 54.41 Lacs as vehicle loan taken from ICICI Bank against hypothecation of the respective Vehicles only.</li> <li>● Term loan (secured) includes ₹ 2,440 Lacs as LRD facility taken from HDFC Bank Ltd. against exclusive charge on the title deeds situated at Focal Point, Phase-IV, Ludhiana.</li> <li>● Term loan include ₹ 130.86 Lacs as common covid -19 emergency credit line received from the working capital banks and are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.</li> </ul>		
ii) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.		
<b>15b. Other Financial Liabilities</b>		
Security deposit	316.02	190.00
<b>Total</b>	<b>316.02</b>	<b>190.00</b>
<b>16. Provisions</b>		
Provision for Gratuity	--	19.62
<b>Total</b>	<b>--</b>	<b>19.62</b>
<b>17. Deferred Tax Liabilities (net)</b>		
<b>Deferred Tax Liability</b>		
Relating to Property, plant and equipment, IND AS adjustment etc.	2,288.09	1,971.16
<b>Deferred Tax Assets</b>		
Disallowance u/s 43B of the Income Tax Act, 1961, brought forward losses and other etc.	(39.97)	(67.07)
<b>Total</b>	<b>2,248.12</b>	<b>1,904.09</b>
<b>18. Other Non-current Liabilities</b>		
Deferred Income	60.63	60.30
<b>Total</b>	<b>60.63</b>	<b>60.30</b>
<b>19a. Borrowings</b>		
From Banks		
Loans repayable on demand	*18,850.21	*55,560.71
Current Maturities	2,736.02	3,111.57
Loans and advances from related parties (Unsecured)	102.86	2,201.16
Others	--	**1,500.00
<b>Total</b>	<b>21,689.09</b>	<b>62,373.44</b>
<b>19a.1</b> *Include ₹ Nil Lacs (previous year ₹ 906.61 lacs) as common covid -19 emergency credit line received from the working capital banks due within one year.		
<b>19a.2</b> *Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.		
<b>19a.3</b> **Secured against post dated cheque and guaranteed by a Director of the Company.		
<b>19b. Trade Payables</b>		
Micro, Small and Medium Enterprises	245.79	1,766.77
Others	5,005.25	13,801.34
<b>Total</b>	<b>5,251.04</b>	<b>15,568.11</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
-------------	--	--

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

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	245.79	1,766.77
- Interest thereon	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	--	--
The amount of interest accrued and remaining unpaid.	--	--
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	--	--

**Trade payable ageing schedule as on 31<sup>st</sup> March, 2023**

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	106.00	139.79	--	--	--	245.79
(ii) Others	4,549.89	394.54	40.90	2.26	17.66	5,005.25
(iii) Disputed dues - MSME	--	--	--	--	--	--
(iv) Disputed dues-Others	--	--	--	--	--	--
<b>Total</b>	<b>4,655.89</b>	<b>534.33</b>	<b>40.90</b>	<b>2.26</b>	<b>17.66</b>	<b>5,251.04</b>

**Trade payable ageing schedule as on 31<sup>st</sup> March, 2022**

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	1,306.10	460.67	--	--	--	1,766.77
(ii) Others	13,016.98	652.86	87.43	13.78	30.29	13,801.34
(iii) Disputed dues - MSME	--	--	--	--	--	--
(iv) Disputed dues-Others	--	--	--	--	--	--
<b>Total</b>	<b>14,323.08</b>	<b>1,113.53</b>	<b>87.43</b>	<b>13.78</b>	<b>30.29</b>	<b>15,568.11</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
<b>19c. Other Financial Liabilities</b>		
Unpaid Dividend	60.16	60.32
Due to Employees	2,037.13	2,044.57
Others	994.77	1,096.77
<b>Total</b>	<b>3,092.06</b>	<b>3,201.66</b>
19c.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor's Education and Protection Fund.		
<b>20. Other Current Liabilities</b>		
Statutory dues payables	485.20	509.12
Advance from customers	482.92	451.57
Deferred Income	28.08	15.98
Others	19.14	531.61
<b>Total</b>	<b>1,015.34</b>	<b>1,508.28</b>
<b>21. Provisions</b>		
Provision for Employee Benefits	222.19	89.46
<b>Total</b>	<b>222.19</b>	<b>89.46</b>
<b>22. Revenue from Operations</b>		
Sale of Products	168,755.95	190,674.67
Sale of services	1,204.23	1,026.21
Miscellaneous sales	6,416.15	6,649.28
<b>Other operating revenue</b>		
Export Incentives	1,011.04	2,285.69
<b>Total</b>	<b>177,387.37</b>	<b>200,635.85</b>
<b>22.1 Details of Products Sold</b>		
Yarn	71,780.75	110,414.54
Fabrics	77,505.80	68,745.70
Sugar	17,842.20	9,821.18
Others	9,247.58	9,368.74
<b>Total</b>	<b>176,376.33</b>	<b>198,350.16</b>
<b>23. Other Income</b>		
Interest income	190.53	73.69
Dividend Income	19.32	20.50
Rental Income	1,326.40	911.95
Profit on sale of Fixed Assets	2,752.33	355.55
Others	35.55	219.24
<b>Total</b>	<b>4,324.13</b>	<b>1,580.93</b>
<b>24. Cost of Materials Consumed</b>		
Opening stock	32,127.90	24,371.22
Add : Effect of business combination	6.71	--
Add : Purchases (Net)	71,411.45	121,558.85
Less : Closing Stock	11,367.38	32,127.90
<b>Total</b>	<b>92,178.68</b>	<b>113,802.17</b>
<b>24.1 Detail of Cost of Material Consumed</b>		
Fibres	69,780.59	95,066.65
Yarn	7,603.07	4,968.97
Sugarcane	14,319.34	13,766.55
Others	475.68	--
<b>Total</b>	<b>92,178.68</b>	<b>113,802.17</b>





**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
<b>25. Purchases of stock-in-trade</b>		
Yarn	1,549.15	4,434.39
Fibre/Waste	1,543.78	715.65
<b>Total</b>	<b>3,092.93</b>	<b>5,150.04</b>
<b>26. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Opening Stock</b>		
Work-in-progress	4,346.77	3,675.23
Finished Goods	33,489.83	20,763.07
Add: Effect of business combination	32.95	--
<b>Sub Total</b>	<b>37,869.55</b>	<b>24,438.30</b>
<b>Less: Closing Stock</b>		
Work-in-progress	3,156.02	4,346.77
Finished Goods	24,782.46	33,489.83
<b>Sub Total</b>	<b>27,938.48</b>	<b>37,836.60</b>
<b>Total</b>	<b>9,931.07</b>	<b>(13,398.30)</b>
<b>27. Employee Benefits Expense</b>		
Salary, Wages and Other Allowances	14,703.85	14,556.02
Contribution to provident and other funds	1,714.67	1,592.96
Staff welfare expenses	157.01	155.20
Staff Recruitment & Development expenses	6.95	8.63
<b>Total</b>	<b>16,582.48</b>	<b>16,312.81</b>
<b>28. Finance cost</b>		
Interest Expense	3,376.33	5,148.64
MTM loss/(gain) on forward Contracts	15.03	(104.08)
Other Borrowings Cost	374.76	514.38
<b>Total</b>	<b>3,766.12</b>	<b>5,558.94</b>
<b>29. Other expenses</b>		
<b>a. Manufacturing Expenses</b>		
Consumption of Stores, consumables & spare parts	13,480.14	13,893.14
Power and Fuel	19,048.68	25,121.72
Handling and Restacking charges	337.10	449.69
Machinery Repairs and Maintenance	1,021.15	736.60
<b>Sub Total</b>	<b>33,887.07</b>	<b>40,201.15</b>
<b>b. Administrative &amp; Other Expenses</b>		
Rent	13.11	10.10
Rates & Taxes	253.46	213.10
Insurance	695.72	561.38
Legal & Professional Expenses	234.56	214.35
Travelling & Conveyance*	547.64	182.17
Vehicle Repair & Maintenance	1,626.85	1,600.98
Repairs and Maintenance	544.25	416.65
Payment To Auditor	16.88	16.08
Loss on Sale/Discard of Fixed Assets	128.55	92.90
Directors' Remuneration**	744.47	874.22
Directors' Meeting Fees	5.70	4.80
Charity & Donation	404.35	0.78
Miscellaneous Expenses	229.50	758.29
<b>Sub Total</b>	<b>5,445.04</b>	<b>4,945.80</b>

\*Include Directors' Travelling of ₹ 306.86 Lacs (Previous Year ₹ 78.57 Lacs)

\*\* Include ₹ 135.00 lacs commission provided during the year (Previous year ₹ 325 Lacs)



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
<b>c. Selling Expenses</b>		
Forwarding and Octroi	1,237.87	2,310.83
Commission & Brokerage	530.57	794.19
<b>Sub Total</b>	<b>1,768.44</b>	<b>3,105.02</b>
<b>Total (a+b+c)</b>	<b>41,100.55</b>	<b>48,251.97</b>
<b>29.1 Payment to Auditors</b>		
As Auditor:		
Audit fee	11.21	10.71
Tax audit fee	3.29	3.29
In other capacity	1.34	1.31
Reimbursement of expenses	1.04	0.77
<b>Total</b>	<b>16.88</b>	<b>16.08</b>
<b>30. Tax Expense</b>		
Current Tax	1,860.00	3,880.12
Deferred Tax	323.04	1,994.09
<b>Total</b>	<b>2,183.04</b>	<b>5,874.21</b>
<b>30.1 Reconciliation of tax liability of book profit/(Loss) vis-a-vis actual Tax Liability</b>		
Accounting Profit Before Tax	10,226.17	21,555.34
Enacted Tax Rate	25.168%	25.168%
Current Tax	2,573.72	5,425.05
Less : Reversal of deferred tax on temporary differences etc.	390.68	(449.16)
<b>Income Tax reported in the Statement of Profit &amp; Loss</b>	<b>2,183.04</b>	<b>5,874.21</b>
<b>31. CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>		
a) Letter of Credits in favour of suppliers and others Nil Lacs (Previous Year ₹ 7,264.56 Lacs )		
b) Bank Guarantees in favour of suppliers and others ₹ 1,513.98 Lacs (Previous Year ₹ 684.31 Lacs)		
c) Sales tax demands against which the company has preferred appeals ₹ 57.74 Lacs (Previous Year ₹ 57.74 Lacs)		
d) Income tax demands against which the company has preferred appeals ₹ 203.65 Lacs (Previous Year ₹ 1,245.32 Lacs.)		
e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 522.82 Lacs on various matters under the Central Excise Rules (Previous Year ₹ 608.38 Lacs). The Company has filed suitable reply with the concerned authorities.		
f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 83.11 Lacs (Previous Year ₹ 1,154.10 Lacs) in favour of the President of India for fulfilment of its obligation under the rules made Central Excise Act, 1944 and Customs Act, 1962.		
g) Claims of ₹ 3,866.58 Lacs (Previous Year ₹ 3,967.49 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.		
h) Employees State Insurance corporation has raised demand of ₹ 124.62 Lacs (Previous Year ₹ 124.62 Lacs) The Company deposited ₹ 94.64 Lacs against the said demand . The company has filed the Civil Suit before the Civil Judge (Sr. Div.), ESI Court , Ludhiana		
i) Advances recoverable amount includes ₹ 609.56 Lacs (Previous Year ₹ 609.56 Lacs) on account of GST paid under protest as mentioned in the Note No. 32 (i) of the balance sheet as at 31st March, 2019.		
<b>32. Capital Commitment</b>		
Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ Nil Lacs (Previous Year ₹ 6,013.05 Lacs).		



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

33. The Company has undertaken export obligations of ₹ 2,444.51 Lacs (Previous Year ₹ 25,419.42 Lacs) to export goods against the issuance of Import Licenses / Advance Licenses for the Import of Capital Goods and Raw Materials. Out of this, export obligations of ₹ 864.82 Lacs (Previous Year ₹ 23,839.73 Lacs) have been fulfilled up to 31 March, 2023.
34. The Company has considered the possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position and recoverability of the carrying value of its assets on account of future uncertainties in the Global Market, based on the internal and external sources of information and application of the reasonable estimates, the company does not foresee presently any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future.
35. In the opinion of the Board of Directors, the Current Assets and Loans & Advances have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet, unless stated otherwise.
36. Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2023 for ₹ 2,959.12 Lacs (Previous Year ₹ 5,335.75 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.
37. **Earnings Per Share (EPS) (Ind AS-33)**

Particulars	2022-23	2021-22
Profit after Tax (₹ in Lacs)	<b>7,927.04</b>	15,681.13
Weighted average no. of ordinary shares	<b>39,853,609</b>	39,835,141
Weighted average no. of diluted shares	<b>39,853,609</b>	39,835,141
Nominal value of ordinary share (₹)	<b>10.00</b>	10.00
Basic / Diluted Earning Per Share (₹)	<b>19.89</b>	39.37

38. **Segment Information as required by Ind AS-108 “Operating Segments” and compiled on the basis of the financial statements is as under :-**

	(₹ in Lacs)							
	Textile		Sugar		Others		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
<b>Segment Revenue</b>								
Total Revenue	156,282.83	186,540.87	20,561.30	12,373.35	11.83	35.18	176,855.96	198,949.40
Less: Inter Segment Revenue							479.63	599.24
Net Revenue							176,376.33	198,350.16
<b>Segment Results</b>								
Profit/ (Loss) before interest & tax	13,028.25	25,867.21	1,389.68	1,150.51	(425.64)	96.56	13,992.29	27,114.28
Less: Interest							3,766.12	5,558.94
Profit / (Loss) Before tax							10,226.17	21,555.34
Segment Assets	97,941.63	142,007.15	16,202.84	18,752.93	20,724.92	21,018.95	134,869.39	181,779.03
Segment Liabilities	22,310.73	67,746.35	5,532.13	11,414.47	1,067.48	738.43	28,910.34	79,899.25
<b>Capital Employed</b>								
Segment Assets- Segment Liabilities	75,630.90	74,260.80	10,670.71	7,338.46	19,657.44	20,280.52	105,959.05	101,879.78



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**39. Related Party Disclosures as required by IND AS-24 as under: -**

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

**1 Associates:** J.L. Growth Fund Limited, Vardhman Investment Limited, Atam Vallabh Financers Limited, OWM Renew LLP\*

**2 Key Management Personnel:** Sh. Jawahar Lal Oswal (Chairman), Sh. Kamal Oswal (Vice Chairman-cum-Managing Director), Sh. Abhinav Oswal (Executive Director), Sh. Dinesh Oswal (Non-Executive Director), Sh. Dinesh Gogna (Non-Executive Director), Sh. Navdeep Sharma (Non-Executive Director), Sh. Parvinder Singh Pruthi (Non-Executive Director), Dr. Suresh Kumar Singla (Non-Executive Director), Sh. Ved Parkash Gaur (Non-Executive Director), Mrs. Manisha Gupta (Non-Executive Director), Dr. Roshan Lal Behl (Non-Executive Director), Dr. Y.P. Sachdeva (Non-Executive Director), Sh. Bharat Bhushan Gupta (Chief Financial Officer), Sh. Mukesh Sood (Company Secretary)

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

**4. \*Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control:** Oswal Woollen Mills Ltd., Nahar Spinning Mills Ltd., Monte Carlo Fashion Limited, Hug Foods Pvt. Ltd., Nagdevi Trading & Investment Co. Ltd., KMPRA Associates LLP, OWM Poly Yarn Ltd., Abhilash Growth Fund Pvt. Ltd., Nahar Industrial Infrastructure Corporation Ltd., Jawahar Lal Oswal Public Charitable Trust, Oswal Foundation (Regd.).

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

Particulars	Associates		Key Management Personnel		Enterprises in which Key Manager Personnel and relative of such personnel is able to exercise significant influence or control		Relative of Key Management Personnel	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
	(₹ in Lacs)							
Purchase of goods/services	474.05	1.57	--	--	4,448.88	10,877.07	--	--
Sales of Goods	--	--	--	--	12,052.09	23,537.02	--	--
Purchase of fixed assets	--	--	--	--	133.07	44.73	--	--
Sale of fixed assets	--	--	--	--	2,009.83	47.05	--	--
Freight Income	--	--	--	--	709.55	695.20	--	--
Sale of FMP/FMS license	--	--	--	--	246.60	22.16	--	--
Processing charges received	--	--	--	--	160.40	69.63	--	--
Interest Expenses	--	12.68	--	--	26.49	185.33	--	--
Dividend Received	--	--	--	--	19.32	20.50	--	--
Rent received	--	--	15.00	15.00	228.68	156.79	--	--
Reimbursement of Expenses Received	--	2.40	--	--	213.78	198.63	--	--
Reimbursement of Expenses Paid	--	--	--	--	9.59	13.91	--	--
Director Meeting Fee	--	--	6.73	5.66	--	--	--	--
Remuneration	--	--	--	--	--	--	43.56	24.36
Loan received	--	7.07	--	--	130.77	2,028.59	--	--
Loan re-paid	--	1.00	--	--	2,063.00	2,000.00	--	--
Investment in LLP	--	227.50	--	--	--	--	--	--
Investment in Preference Share	--	--	--	--	2,000.00	--	--	--
Security given	--	194.30	--	--	--	--	--	--
Security received	--	--	--	--	--	393.92	--	--
Charity & Donation	--	--	--	--	100.00	--	--	--
Corporate Social Responsibility (CSR) Activities	--	--	--	--	102.58	--	--	--
Balance Receivable/(Payable) (net)	130.23	28.39	--	--	587.11	(3.96)	--	--

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

\*\* All transactions are inclusive of taxes wherever applicable.



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**Remuneration of KMP**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
i) Short Term benefits	801.63#	926.97#
ii) Post Employment Benefits	63.69	64.10
<b>Total</b>	<b>865.32</b>	<b>991.07</b>

# Includes Remuneration, commission and perks paid to Vice Chairman-cum-Managing Director and Executive Director of ₹ 747.59 Lacs during the current year and ₹ 876.29 Lacs during the previous year

**40. Significant accounting judgements, estimates and assumptions**

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

**Estimates and assumptions**

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

**Defined benefit plans (gratuity benefits)**

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

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

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

**Impairment of non-financial assets**

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

**Income taxes**

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

**Property, plant and equipment**

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

**Fair value measurement of financial instruments**

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



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**41. Post Retirement Benefits Plan (Ind AS 19)**

**Defined Benefit Plan**

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

<b>Particulars</b>	<b>31st March 2023</b> <b>(₹ in Lacs)</b>	<b>31st March 2022</b> <b>(₹ in Lacs)</b>
<b>Changes in defined benefit obligation</b>		
Present value obligation as at the start of the year	3,532.30	2,892.34
Interest cost	217.55	168.80
Current service cost	397.72	330.67
Aaquisitions ( Credit) cost	19.54	--
Actuarial loss/(gain) - Experience Changes	(19.32)	106.19
Actuarial loss / (gain) Financial Assumption	(42.35)	284.39
Benefits paid	(305.23)	(250.09)
<b>Present value obligation as at the end of the year</b>	<b>3,800.21</b>	<b>3,532.30</b>
<b>Change in fair value of plan assets</b>		
Fair value of plan assets as at the start of the year	3,512.68	3,198.42
Aaquisitions ( Credit) cost	84.63	--
Interest income on plan assets	231.91	197.65
Employer Contributions	357.92	333.71
Return on plan assets (greater)/lesser then discount Rates	21.72	32.99
Benefits paid	(305.23)	(250.09)
<b>Fair value of plan assets as at the end of the year</b>	<b>3,903.63</b>	<b>3,512.68</b>
<b>Breakup of Actuarial (gain)/loss:</b>		
Actuarial (gain)/loss on arising from change in financial assumption	(42.35)	284.39
Actuarial (gain)/loss on arising from experience adjustment	(19.32)	106.19
Return on plan assets (greater)/lesser than discount rate	(21.72)	(32.99)
	<b>(83.39)</b>	<b>357.59</b>
<b>Net Asset/(Liability) recognized in Balance Sheet</b>		
Present value obligation as at the end of the year	3,800.21	3,532.30
Fair value of plan assets as at the end of the year	3,903.63	3,512.68
<b>Net Asset/(Liability) in Balance Sheet</b>	<b>103.42</b>	<b>(19.62)</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>Amount recognized in the statement of profit and loss</b>		
Current service cost	397.72	330.67
Interest cost	217.55	168.80
Interest Income on plan assets	(231.91)	(197.65)
	<b>383.36</b>	<b>301.82</b>
<b>(Income)/Expense recognized in the statement of profit and loss</b>		
<b>Remeasurements recognized in the statement of Other Comprehensive Income (OCI)</b>		
Experience Adjustments	(19.32)	106.19
Changes in Financial Assumptions	(42.35)	284.39
Return on plan assets (greater)/lesser than discount Rates	(21.72)	(32.99)
	<b>(83.39)</b>	<b>357.59</b>
<b>Net Loss/(Gain) recognized in other comprehensive income</b>		
<b>Plan assets information</b>		
Insurer Manage Funds	100%	100%
<b>Actuarial assumptions</b>		
Discount rate	7.10%	6.40%
Salary Escalation Rate	7.50%	7.00%
Employee turnover Rate	12.00%	12.00%

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

**Sensitivity analysis for gratuity liability**

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

**Impact of the change in discount rate**

a) Impact due to increase of 0.50%	(92.88)	(91.04)
b) Impact due to decrease of 0.50%	97.81	96.06

**Impact of change in salary Escalation Rate**

a) Impact due to increase of 0.50%	93.30	91.33
b) Impact due to decrease of 0.50%	(89.89)	(87.95)

**Impact of change in Employee turnover Rate**

a) Impact due to increase of 0.50%	(37.20)	(45.87)
b) Impact due to decrease of 0.50%	44.25	59.26

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



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

Gratuity	6 Years	6 Years
----------	---------	---------

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

Particulars	31st March 2023	31st March 2022
<b>Description</b>		
March 31, 2023	--	627.36
March 31, 2024	<b>771.01</b>	507.18
March 31, 2025	<b>491.66</b>	467.58
March 31, 2026	<b>521.21</b>	497.89
March 31, 2027	<b>539.10</b>	525.29
March 31, 2028	<b>617.05</b>	--
March 31, 2028 to March 31, 2032	--	2,938.31
March 31, 2029 to March 2033	<b>3,130.01</b>	--

**42. Fair Value Measurement**

**(a) Financial Instruments by category and hierarchy**

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

Particulars	As At 31st March, 2023			As at 31st March, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*						
- Equity instruments	--	<b>7.14</b>	--	--	8.91	--
- Preference Shares	--	--	<b>2,000.31</b>	--	--	0.31
Other Financial Assets (Non Current)	--	--	<b>1,837.77</b>	--	--	1,224.37
Trade receivables	--	--	<b>16,365.94</b>	--	--	27,679.55
Investment (Current)	<b>613.81</b>	--	--	--	--	--
Cash and cash equivalents	--	--	<b>52.42</b>	--	--	64.52
Other Bank Balances	--	--	<b>268.20</b>	--	--	484.52
Loans (Current)	--	--	<b>79.35</b>	--	--	75.52
Other financial assets (Current)	<b>4.50</b>	--	<b>8.64</b>	19.53	--	2,192.27
<b>Total Financial Assets</b>	<b>618.31</b>	<b>7.14</b>	<b>20,612.63</b>	19.53	8.91	31,721.06

Particulars	As At 31st March, 2023			As at 31st March, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings (Non current)	--	--	<b>5,961.28</b>	--	--	8,032.42
Security deposit	--	--	<b>316.02</b>	--	--	190.00
Borrowings (Current)	--	--	<b>21,689.09</b>	--	--	62,373.44
Trade payables	--	--	<b>5,251.04</b>	--	--	15,568.11
Unpaid dividend	--	--	<b>60.16</b>	--	--	60.32
Due to Employees	--	--	<b>2,037.13</b>	--	--	2,044.57
Other financial liabilities	--	--	<b>994.77</b>	--	--	1,096.77
<b>Total Financial Liabilities</b>	--	--	<b>36,309.49</b>	--	--	89,365.63

\*Investment value exclude investment in associates which are shown at cost in Balance Sheet as per Ind As 27, "Separate Financial Statement"





**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(b) Fair value hierarchy**

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

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

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Equity instruments	3.11	--	4.03	4.88	--	4.03
Derivative Assets	4.50	--	--	19.53	--	--
Investment (Current)	613.81	--	--	--	--	--
<b>Total</b>	<b>621.42</b>	<b>--</b>	<b>4.03</b>	<b>24.41</b>	<b>--</b>	<b>4.03</b>

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

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Preference Shares	--	--	2,000.31	--	--	0.31
Other Financial Assets (Non Current)	--	--	1,837.77	--	--	1,224.37
Trade receivables	--	--	16,365.94	--	--	27,679.55
Cash and cash equivalents	--	--	52.42	--	--	64.52
Other Bank Balances	--	--	268.20	--	--	484.52
Loans (Current)	--	--	79.35	--	--	75.52
Other financial assets (Current)	--	--	8.64	--	--	2,192.27
<b>Total Financial assets</b>	<b>--</b>	<b>--</b>	<b>20,612.63</b>	<b>--</b>	<b>--</b>	<b>31,721.06</b>

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial liabilities</b>						
Borrowings (Non current)	--	--	5,961.28	--	--	8,032.42
Security deposit	--	--	316.02	--	--	190.00
Borrowings (Current)	--	--	21,689.09	--	--	62,373.44
Trade payables	--	--	5,251.04	--	--	15,568.11
Unpaid dividend	--	--	60.16	--	--	60.32
Due to Employees	--	--	2,037.13	--	--	2,044.57
Other Financial Liabilities	--	--	994.77	--	--	1,096.77
<b>Total Financial Liabilities</b>	<b>--</b>	<b>--</b>	<b>36,309.49</b>	<b>--</b>	<b>--</b>	<b>89,365.63</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

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

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

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

Particulars	As At 31 <sup>st</sup> March, 2023		As At 31 <sup>st</sup> March, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Preference Share	2,000.31	2,000.31	0.31	0.31
Other financial assets (Non-Current)	1,837.77	1,837.77	1,224.37	1,224.37
<b>Total</b>	<b>3,838.08</b>	<b>3,838.08</b>	1,224.68	1,224.68
<b>Financial liabilities</b>				
Borrowings (Non-Current)	5,961.28	5,961.28	8,032.42	8,032.42
Security deposit	316.02	316.02	190.00	190.00
<b>Total</b>	<b>6,277.30</b>	<b>6,277.30</b>	8,222.42	8,222.42

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

**43. Financial risk management objectives and policies**

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

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



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(A) Market risk**

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

**a) Interest rate risk**

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

Particulars	As At 31st March 2023 (₹ in Lacs)	As At 31st March 2022 (₹ in Lacs)
Variable rate borrowings	26,667.34	65,789.09
Fixed rate borrowings	983.03	4,616.77
<b>Total</b>	<b>27,650.37</b>	<b>70,405.86</b>

**Interest rate sensitivity**

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

Particulars	Effect on Profit Before Tax	
	As at 31st March 2023 (₹ in Lacs)	As at 31st March 2022 (₹ in Lacs)
Increase by 50 basis points	(133.34)	(328.94)
Decrease by 50 basis points	133.34	328.94

**b) Foreign currency risks**

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

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

Particulars	As At 31st March 2023 (₹ in Lacs)	As At 31st March 2022 (₹ in Lacs)
Trade Payable		
-USD	146.64	127.84
-EUR	3.19	8.05
-CHF	--	--



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**Foreign currency sensitivity**

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

Particulars	Effect on Profit Before Tax	
	As at 31st March 2023 (₹ in Lacs)	As at 31st March 2022 (₹ in Lacs)
<b>USD Sensitivity</b>		
Decrease by 5%	7.33	6.39
Increase by 5%	(7.33)	(6.39)
<b>EUR Sensitivity</b>		
Decrease by 5%	0.16	0.40
Increase by 5%	(0.16)	(0.40)
<b>CHF Sensitivity</b>		
Decrease by 5%	--	--
Increase by 5%	--	--

**ii) Foreign Currency Exposure (Forward Booking)**

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

Category wise Quantitative Data Type Contract	As At 31st March 2023 (₹ in Lacs)	As At 31st March 2022 (₹ in Lacs)
Forward contracts against Exports (US \$)	1,684.11	4,040.20
Forward contracts against imports (US \$)	--	--

**(B) Credit risk**

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

**Credit risk management**

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

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



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**Financial assets that expose the entity to credit risk:**

Particulars	As At 31st March 2023 (₹ in Lacs)	As At 31st March 2022 (₹ in Lacs)
<b>Low credit risk on reporting date</b>		
Investments (Non-Current)	6,460.75	8,255.64
Other financial assets (Non-Current)	1,837.77	1,224.37
Trade receivables	16,365.94	27,679.55
Cash and cash equivalents	52.42	64.52
Other bank balances	268.20	484.52
Loans (current)	79.35	75.52
Investment (current)	613.81	--
Other financial asset (Current)	13.14	2,211.80
<b>Total</b>	<b>25,691.38</b>	<b>39,995.92</b>
<b>Moderate credit risk</b>	--	--
<b>High credit risk</b>	--	--

**Cash & cash equivalents and bank deposits**

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

**Trade receivables**

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

Gross carrying amount of trade receivables (for ageing Refer note no. 9b)

**Other financial assets measured at amortised cost**

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

**(C) Liquidity risk**

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

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

(₹ in Lacs)

Particulars	As At 31st March 2023	As At 31st March 2022
<b>Floating rate</b>		
<b>(a) Expiring within one year</b>		
<b>(Bank overdraft and other facilities)</b>		
<b>Secured : Cash credit facilities</b>	<b>37,499.79</b>	<b>7,439.29</b>
<b>(b) Expiring beyond one year (Bank loans)</b>		
<b>Secured : Term loan from banks</b>	<b>500.00</b>	<b>--</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

Particulars						(₹ in Lacs)	
	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total undiscounted contractual cash flows	Carrying amount of liabilities	
<b>Year ended 31<sup>st</sup> March 2023</b>							
Contractual maturities of borrowings	21,586.23	1,184.61	2,499.76	1,399.24	26,669.84	26,667.34	
Loan & Advances from related party (Unsecured)	102.86	--	--	--	102.86	102.86	
5.5% Non convertible non cumulative Redeemable Preference Share (Unsecured)	--	--	--	4,000.00	4,000.00	880.17	
Contractual maturities of trade payable	5,251.04	--	--	--	5,251.04	5,251.04	
Contractual maturities of security deposit received	--	29.61	383.85	--	413.46	316.02	
Contractual maturities of other financial liabilities	3,031.90	--	--	--	3,031.90	3,031.90	
Unpaid Dividend	60.16	--	--	--	60.16	60.16	
<b>TOTAL</b>	<b>30,032.19</b>	<b>1,214.22</b>	<b>2,883.61</b>	<b>5,399.24</b>	<b>39,529.26</b>	<b>36,309.49</b>	

Particulars						(₹ in Lacs)	
	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total undiscounted contractual cash flows	Carrying amount of liabilities	
<b>Year ended 31<sup>st</sup> March 2022</b>							
Contractual maturities of borrowings	60,172.29	1,882.48	2,163.68	1,575.10	65,793.55	65,789.08	
Loan & Advances from related party (Unsecured)	2,201.16	--	--	--	2,201.16	2,201.16	
5.5% Non convertible non cumulative Redeemable Preference Share (Unsecured)	--	--	--	11,620.00	11,620.00	2,415.61	
Contractual maturities of trade payable	15,568.11	--	--	--	15,568.11	15,568.11	
Contractual maturities of security deposit received	--	33.80	239.38	--	273.18	190.00	
Contractual maturities of other financial liabilities	3,141.34	--	--	--	3,141.34	3,141.34	
Unpaid Dividend	60.32	--	--	--	60.32	60.32	
<b>TOTAL</b>	<b>81,143.22</b>	<b>1,916.28</b>	<b>2,403.06</b>	<b>13,195.10</b>	<b>98,657.66</b>	<b>89,365.62</b>	

**44. Capital Management**

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

Particulars	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Borrowings</b>	<b>27,650.37</b>	70,405.86
<b>Trade payables</b>	<b>5,251.04</b>	15,568.11
<b>Less: Cash and cash equivalents</b>	<b>52.42</b>	64.52
<b>Net debt (A)</b>	<b>32,848.99</b>	85,909.45
<b>Equity (B)</b>	<b>95,013.62</b>	88,831.65
<b>Capital and net debt (A+B)</b>	<b>127,862.61</b>	1,74,741.10
<b>Gearing ratio</b>	<b>25.69</b>	49.16



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
The amount required to be spent	116.09	Nil
The amount spent	116.09	Nil

In accordance with the provisions of section 135 of the Companies Act 2013, the board of directors of the company had constituted a CSR committee. The company had decided to carry out its CSR activities through a consortium formed by group companies as per scheme of CSR. During the financial year 2022-23 there is ₹ 116.09 lacs liability under CSR as calculated under the provisions of section 135 of the Companies Act 2013 and the same has been spent during the year.

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

(₹ in Lacs)

Particulars	Long-term borrowings (Including current maturities)	Short-term borrowings	Total
<b>As at 1<sup>st</sup> April, 2022</b>	<b>13,345.15</b>	<b>57,060.71</b>	<b>70,405.86</b>
<b>Cash flows:</b>			
Proceeds from borrowings	3,909.10	(38,210.50)	(34,301.40)
Proceeds from others	130.77	--	130.77
Repayment of borrowings	(4,691.47)	--	(4,691.47)
Repayment of borrowings (Covid Loan)	(130.86)	--	(130.86)
Repayment of others	(2,063.00)	--	(2,063.00)
Effect of business combination	(1,778.07)	--	(1,778.07)
<b>Ind AS Adjustment:</b>			
Impact of adjustment on borrowings/preference shares	78.54	--	78.54
<b>As at 31<sup>st</sup> March, 2023</b>	<b>8,800.16</b>	<b>18,850.21</b>	<b>27,650.37</b>

47. The scheme of Amalgamation (the scheme) between the company (transferee company) and the associate company i.e. Cotton County Retail Ltd. (transferor company) has been approved by the Hon'ble National Company Law Tribunal (NCLT) u/s 230-232 and other applicable provisions of the Companies Act, 2013 vide its order dated February 21, 2023. The scheme become effective upon filing of certified copy of the NCLT order with Registrar of Companies, Chandigarh on 18th March, 2023.

Pursuant to the scheme of amalgamation; the authorised capital of the company stands increased to ₹ 20,550 lacs, 7,620,000 5.5% non-convertible non-cumulative redeemable preference share of ₹ 100/- each held by the transferor company in the transferee company stands extinguished, 10,228,441 equity shares of ₹ 10/- each of transferor company held by the transferee company stands cancelled and the company has allotted 33,70,440 fully paid up equity shares of ₹ 10/- each to the eligible share holders of the transferor company.



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**48. Additional Regulatory Information :**

**(a) Ratio**

Particulars	Formula	31st March, 2023			31st March, 2022			%Variance
		Numerator (₹ in Lacs)	Denominator (₹ in Lacs)	Ratio	Numerator (₹ in Lacs)	Denominator (₹ in Lacs)	Ratio	
<b>Current ratio (in times)*</b>	Current Assets / Current Liabilities	<b>69,372.28</b>	<b>31,269.72</b>	<b>2.22</b>	117,642.65	82,740.95	1.42	56.34
<b>Debt-Equity Ratio (in times)*</b>	Total Debt / Shareholder's Equity	<b>27,650.37</b>	<b>95,013.62</b>	<b>0.29</b>	70,405.86	88,831.65	0.79	63.29
<b>Debt Service Coverage Ratio (in times)</b>	Earnings available for debt service / Debt Service	<b>16,526.66</b>	<b>10,651.47</b>	<b>1.55</b>	26,223.88	13,482.29	1.95	(20.51)
<b>Return on Equity Ratio (in %)**</b>	Net Profit/(Loss) for the year less Preference Dividend (if any) /Average Shareholder's Equity	<b>7,927.04</b>	<b>91,922.64</b>	<b>8.62</b>	15,681.13	81,123.34	19.33	(55.41)
<b>Inventory Turnover Ratio (in times)</b>	Revenue from Operations/ Average Inventory	<b>177,387.37</b>	<b>57,991.08</b>	<b>3.06</b>	200,635.85	62,377.22	3.22	(4.97)
<b>Trade Receivables Turnover Ratio (in times)</b>	Revenue from Operations / Average Trade Receivables	<b>177,387.37</b>	<b>22,022.75</b>	<b>8.05</b>	200,635.85	23,736.92	8.45	(4.73)
<b>Trade Payables Turnover Ratio (in times)*</b>	Net Credit Purchases/ Average Trade Payables	<b>74,504.38</b>	<b>10,409.58</b>	<b>7.16</b>	126,708.89	12,372.31	10.24	30.08
<b>Net Capital Turnover Ratio (in times)</b>	Revenue from Operations/ Working Capital	<b>177,387.37</b>	<b>38,102.56</b>	<b>4.66</b>	200,635.85	34,901.70	5.75	(18.96)
<b>Net Profit Ratio (in %)**</b>	Net Profit/ (Loss) for the Period /Revenue from Operations	<b>7,927.04</b>	<b>177,387.37</b>	<b>4.47</b>	15,681.13	200,635.85	7.82	(42.84)
<b>Return on Capital Employed (in %)**</b>	Earnings before Interest and Tax/ Capital Employed	<b>13,876.20</b>	<b>105,959.03</b>	<b>13.10</b>	27,114.28	101,879.73	26.61	(50.77)
<b>Return on Investment (in %)**</b>	Income Generated from Investments/ Average funds invested	<b>1,358.29</b>	<b>14,405.51</b>	<b>9.43</b>	932.45	13,551.51	6.88	37.06

\* Increased ratio is due to improvement in working capital.

\*\* Decreased ratio is due to lower profitability.

\*\*\* Improvement in ratio is due to increased income from investment.

(b) The title deeds of immovable properties included in Property, Plant, and Equipment are held in the name of the Company, except for as shown in the table below:

Relevant Line Item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in Lacs)	Title Deeds held in the name of	Whether the title deed holder is promoter, director or relative of promoter/ director, or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Land at Village Jalalpur, Lalru Distt. Mohali	1,177.41	Nahar Industrial Infrastructure Corporation Ltd.	No	2006	The company is in process to registered title deed in its name

(c) The company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(d) The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

(e) The company has not enter into any transactions during the year with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.





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**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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- (f) The Company does not have any charges or satisfaction of charges which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
  - (g) The restrictions related to the number of layers as prescribed under Companies (Restriction on Number of Layers) Rules, 2017 do not apply to our company, not being having any subsidiary.
  - (h) The company has not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities(intermediaries), with the understanding that the intermediary shall;
    - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
    - ii. Provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.
  - (i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
    - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or
    - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (j) The Company has borrowings from banks and financial institutions on the basis of the security of current assets and movable assets. The Company has complied with the requirement of filing of monthly/ quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2023.
  - (k) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
  - (l) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - (m) The company has not revalued any of its Property, Plant, and Equipment, or Intangible assets during the year.
  - (n) The company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs, and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
  - (o) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
49. The Schedule III to the Companies Act, 2013 had been amended in respect of certain regrouping/disclosures vide notification dated 24th March, 2021 which are applicable w.e.f 1st April 2021, the figures have been presented in the above financial statement after considering the said amendments.
50. Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.
51. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever considered necessary to make them comparable.

**INDEPENDENT AUDITOR'S REPORT**

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

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

**Opinion**

We have audited the accompanying consolidated Ind AS Financial Statements of Nahar Industrial Enterprises Limited (hereinafter referred to as "the Investor Company") and its associates, which comprise of the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements".)

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the associates referred to, in the other matter paragraph, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Investor company and its associates as at 31st March, 2023, and their consolidated profit (including other comprehensive income), their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

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

**Emphasis of Matter**

We draw attention to Note No. 47 to the Consolidated Ind AS Financial Statements, which describe the scheme of amalgamation (the Scheme) between the Company (Transferee Company) and its Associate Company i.e. Cotton County Retail Limited (Transferor Company) which has been approved by the Hon'ble National Company Law Tribunal (NCLT) under section 230-232 and other applicable provisions of the Companies Act, 2013 vide its order dated February 21, 2023.

The Scheme becomes effective upon the filing of the certified copy of the NCLT order with the Registrar of Companies, Chandigarh on March 18, 2023. Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Investor Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, Consolidated changes in Equity and Consolidated Cash Flows of the Investor company in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Investor Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Investor Company and its Associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and



presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Investor Company as aforesaid.

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

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

#### **Auditor's Responsibility for the Audit of 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 judgement and maintain professional skepticism throughout the audit. We also:

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

auditor's report to the related disclosures in the Consolidated 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 Investor company and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the investor company and its associates to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

#### **Other Matters**

We did not audit the I-GAAP Financial Statements /Information of one of the associates i.e. J.L. Growth Fund Limited, whose



Financial Statements/ Financial Information reflects Company's share of I GAAP profit after tax of Rs 22.26 Lacs as considered in consolidated Ind AS Financial Statements. The Financial Statement /Financial information has been audited by the other auditor whose report has been furnished to us by the management and our opinion on Consolidated IND AS Financial Statements, in so far as it relates to the amounts and the Disclosures included in respect of this associate is based solely on the report of the other auditor.

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit report and on the consideration of the reports of other auditors on the separate financial statements and other financial information of associates, we report to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS Financial Statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS Financial Statements.
  - d. In our opinion, the aforesaid consolidated Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Investor Company as on 31st March, 2023 taken on record by the Board of Directors of the Investor Company and the report of the statutory auditor of its associate companies incorporated in India, none of the directors of the Investor company and its associate companies is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' which is based on the auditor's reports of the Investor Company and its associate companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Investor Company and its Associate Companies internal financial controls over financial reporting;
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of

section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the reports of the other auditors, we report, that the managerial Remuneration for the year ended 31st March, 2023 has been paid to its directors in accordance with the provisions of section 197 and schedule V 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 Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the separate Financial Statements of the Associates:
  - i. The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Investor Company, and its associates.
  - ii. The Investor Company and its associates does not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Investor Company during the year ended 31st March, 2023 and there was no amount which was required to be transferred to the Investor Education and Protection Fund by its associates incorporated in India.
  - iv. (a) The respective Managements of the Investor Company, and its associates which are companies incorporated in India, whose financial statements have been audited by us or by other auditors, under the act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Investor Company or any of such associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(h) to the Consolidated Ind AS Financial Statements);  
(b) The respective Managements of the Investor Company, and its associates which are companies incorporated in India, whose financial statements have been audited by us or by other auditors, under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Investor Company or any of such associates from any



- person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Investor Company or any of such associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(i) to the Consolidated Ind AS Financial Statements);
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Investor Company and its associates which are companies incorporated in India, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. Since the Investor Company and its associates have not declared or paid any dividend during the year, accordingly, commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such accounting software which has a feature of audit trail, with effect from the financial year beginning on 1st April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For K R AGGARWAL & ASSOCIATES**

Chartered Accountants  
FRN NO: 030088N

**Vivek Aneja**  
(Partner)

M.No. 544757

UDIN: 23544757BGYODZ1405

Place: Ludhiana

Dated: 30th May, 2023

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

In terms of paragraph 3(xxi) of the CARO 2020, in case of following company remarks as stated by the respective auditors in CARO 2020, included in Consolidated Ind AS Financial Statement of the investor company is as under :

<b>Sr.No.</b>	<b>Name</b>	<b>CIN</b>	<b>Investor Company/Associates</b>	<b>Clause number of the CARO report</b>
1.	Nahar Industrial Enterprises Limited	L15143PB1983PLC018321	Investor Company	3(i)(c)

**For K R AGGARWAL & ASSOCIATES**

Chartered Accountants

FRN NO: 030088N

**Vivek Aneja**

(Partner)

M.No. 544757

UDIN: 23544757BGYODZ1405

Place: Ludhiana

Dated: 30th May, 2023

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March, 2023, We have audited the internal financial controls over financial reporting of Nahar Industrial Enterprises Limited (hereinafter referred to as "the Investor Company") and its associate companies which are incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to explanations given to us and based on the consideration of reports of the other auditors, the Investor Company and its associate companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Investor Company and its associate companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

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

**For K R AGGARWAL & ASSOCIATES**  
**Chartered Accountants**  
FRN NO:-030088N

Place : Ludhiana  
Dated: 30<sup>th</sup> May, 2023

**Vivek Aneja**  
Partner  
M.NO.544757  
UDIN: 23544757BGYODZ1405



**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

Particulars	Note No.	As At 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As At 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	3a	46,041.99	46,738.49
b) Capital work in progress	3b	3,367.05	502.64
c) Investment Property	4	7,260.10	6,220.71
d) Intangible assets	5	--	--
e) Financial Assets			
i) Investments	6a	7,661.20	9,356.71
ii) Other financial assets	6b	1,837.77	1,224.37
f) Other non current assets	7	529.45	571.83
<b>Total Non-Current Assets</b>		<b>66,697.56</b>	<b>64,614.75</b>
<b>Current Assets</b>			
a) Inventories	8	42,658.94	73,323.21
b) Financial Assets			
i) Investments	9a	613.81	--
ii) Trade receivables	9b	16,365.94	27,679.55
iii) Cash and cash equivalents	9c	52.42	64.52
iv) Other bank balances	9d	268.20	484.52
v) Loans	9e	79.35	75.52
vi) Other Financial assets	9f	13.14	2,211.80
c) Current Tax Assets (Net)	10	15.24	326.75
d) Other Current Assets	11	9,305.24	13,476.78
<b>Total Current Assets</b>		<b>69,372.28</b>	<b>117,642.65</b>
<b>Non Current Assets held for sale</b>	12	--	622.70
<b>TOTAL ASSETS</b>		<b>136,069.84</b>	<b>182,880.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	13	4,340.47	4,003.42
b) Other Equity	14	91,630.53	85,705.11
<b>Total Equity</b>		<b>95,971.00</b>	<b>89,708.53</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	15a	5,961.28	8,032.42
ii) Other Financial Liabilities	15b	316.02	190.00
b) Provisions	16	--	19.62
c) Deferred tax liabilities (Net)	17	2,491.19	2,128.27
d) Other non-current liabilities	18	60.63	60.30
<b>Total Non-Current Liabilities</b>		<b>8,829.12</b>	<b>10,430.61</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	19a	21,689.09	62,373.44
ii) Trade Payables	19b		
a. Total outstanding dues of micro enterprises and small enterprises and		245.79	1,766.77
b. Total outstanding dues of creditors others than micro enterprises and small enterprises		5,005.25	13,801.34
iii) Other Financial Liabilities	19c	3,092.06	3,201.66
b) Other Current Liabilities	20	1,015.34	1,508.29
c) Provisions	21	222.19	89.46
<b>Total Current Liabilities</b>		<b>31,269.72</b>	<b>82,740.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>136,069.84</b>	<b>182,880.10</b>

The accompanying notes form an integral part of these financial statements 1 to 52

As per our separate report of even date attached  
**For K R AGGARWAL & ASSOCIATES**  
Chartered Accountants  
FRN : 030088N

For and on behalf of the Board

**Vivek Aneja**  
Partner  
M.No. : 544757  
Place : Ludhiana  
Dated : 30<sup>th</sup> May, 2023

**Mukesh Sood**  
Company Secretary

**Bharat Bhushan Gupta**  
Chief Financial Officer

**Dinesh Gogna**  
Director  
(DIN : 00498670)

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





**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

<b>Particulars</b>	<b>Note No.</b>	<b>Current Year (₹ in Lacs)</b>	<b>Previous Year (₹ in Lacs)</b>
<b>INCOME</b>			
Revenue from Operations	22	177,387.37	200,635.85
Other Income	23	4,324.13	1,580.93
<b>Total Income</b>		<b>181,711.50</b>	<b>202,216.78</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24	92,178.68	113,802.17
Purchases of stock-in-trade	25	3,092.93	5,150.04
Change in inventories of Finished Goods, Work-in-Progress and stock in trade	26	9,931.07	(13,398.30)
Employee Benefit Expense	27	16,582.48	16,312.81
Finance Costs	28	3,766.12	5,558.94
Depreciation and Amortisation Expense	3,4,5	4,833.50	4,983.81
Other Expenses	29	41,100.55	48,251.97
<b>Total Expenses</b>		<b>171,485.33</b>	<b>180,661.44</b>
<b>Profit before exceptional items and tax</b>		<b>10,226.17</b>	<b>21,555.34</b>
Exceptional items		--	--
CSR expenses u/s 135 of Companies Act,2013		116.09	--
Share of Profit/(Loss) of associates		(34.12)	33.28
<b>Profit Before Tax</b>		<b>10,075.96</b>	<b>21,588.62</b>
Tax expense	30		
Current tax		1,871.30	3,892.68
Deferred tax		312.46	1,998.91
<b>Profit After Tax for the period</b>		<b>7,892.20</b>	<b>15,697.03</b>
<b>Other Comprehensive Income (OCI)</b>			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		83.39	(357.59)
Income tax effect on the above		(20.99)	90.00
(ii) Net Gain/(loss) on FVOCI equity instruments		(1.78)	3.08
Income tax effect on the above		--	--
<b>Total Other Comprehensive Income/(Loss)</b>		<b>60.62</b>	<b>(264.51)</b>
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		<b>7,952.82</b>	<b>15,432.52</b>
<b>Basic and diluted earnings per equity share (Face value of equity share ₹10 each)</b>	37	<b>19.80</b>	<b>39.41</b>

The accompanying notes form an integral part of these financial statements **1 to 52**

As per our separate report of even date attached  
**For K R AGGARWAL & ASSOCIATES**  
Chartered Accountants  
FRN : 030088N

For and on behalf of the Board

**Vivek Aneja**  
Partner  
M.No. : 544757  
Place : Ludhiana  
Dated : 30<sup>th</sup> May, 2023

**Mukesh Sood**  
Company Secretary

**Bharat Bhushan Gupta**  
Chief Financial Officer

**Dinesh Gogna**  
Director  
(DIN : 00498670)

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



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

<b>Particulars</b>	<b>2022-23 (₹ in Lacs)</b>	<b>2021-22 (₹ in Lacs)</b>
<b>(A) Cash Flow from Operating Activities</b>		
Net Profit before Tax	10,075.96	21,588.62
Adjustment for:		
Depreciation	4,833.50	4,983.81
Other Income	(23.67)	(14.05)
Rent	6.26	6.26
Remeasurement of defined benefit plan	83.39	(357.59)
Sundry balances written off/(written back) (Net)	(17.31)	372.02
Profit on sale of Property, Plant and Equipment (Net)	(2,623.78)	(262.65)
Dividend Received	(19.32)	(20.50)
Interest Income	(190.53)	(73.69)
Rent Income	(1,326.40)	(911.95)
Interest Expense	3,766.12	5,558.94
Share of (Profit)/Loss of Associates	34.12	(33.28)
<b>Operating Profit before Working Capital Changes</b>	<b>14,598.34</b>	<b>30,835.94</b>
Adjustment for:		
Trade receivable & other assets	17,316.60	(3,746.51)
Inventories	30,664.27	(21,891.99)
Trade Payables & Other Liabilities	(10,678.11)	7,112.18
<b>Cash Generated from operations</b>	<b>51,901.10</b>	<b>12,309.62</b>
Direct Taxes Paid	(1,548.48)	(3,849.84)
Net Cash from Operating Activities	50,352.62	8,459.78
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment (Inc. investment property)	(8,509.51)	(5,031.62)
Sale of property, Plant and Equipment (Inc. investment property)	3,715.20	746.29
Net Increase In asset on amalgamation	375.44	--
Dividend Received	19.32	20.50
Interest Received	187.17	71.50
Rent Income	1,326.40	911.95
Purchase of current investment	(610.39)	--
Purchase of Non-Current investment	(2,000.00)	(227.50)
Net cash used in Investing Activities	(5,496.37)	(3,508.88)
<b>(C) Cash Flow from Financing Activities</b>		
Interest Expenses	(3,646.18)	(5,435.03)
Dividend paid	(0.16)	(22.40)
Proceeds from Long Term Borrowings (Net)	(3,011.50)	(4,727.42)
Changes in Working Capital Borrowings	(38,210.51)	5,283.69
<b>Net Cash used in Financing Activities</b>	<b>(44,868.35)</b>	<b>(4,901.16)</b>
Net Change in Cash & Cash Equivalents (A+B+C)	(12.10)	49.74
Opening Cash & Cash Equivalents	64.52	14.78
Closing Cash & Cash Equivalents	52.42	64.52

- Notes:** 1. Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.  
2. Figures in brackets represent deduction.  
3. Refer note no. 46, debt reconciliation as per Ind AS - 7 "Statement of Cash Flows"

As per our separate report of even date attached  
**For K R AGGARWAL & ASSOCIATES**  
Chartered Accountants  
FRN : 030088N

For and on behalf of the Board

**Vivek Aneja**  
Partner  
M.No. : 544757  
Place : Ludhiana  
Dated : 30<sup>th</sup> May, 2023

**Mukesh Sood**  
Company Secretary

**Bharat Bhushan Gupta**  
Chief Financial Officer

**Dinesh Gogna**  
Director  
(DIN : 00498670)

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



**Consolidated Statement of Changes in Equity for the Year ended 31<sup>st</sup> March 2023**

Particulars	2022-23 (₹ in Lacs)	2021-22 (₹ in Lacs)			
<b>A. Equity Share Capital</b>					
Balance at the beginning of the reporting year	4,003.42	4,003.42			
Changes in Equity Share Capital during the reporting year	<b>*337.05</b>	--			
Balance at the closing of the reporting year	<b>4,340.47</b>	4,003.42			
*allotted pursuant to Effect of Business Combination					
<b>B. Other Equity</b>					
	<b>Reserve &amp; Surplus</b>				
Particulars	Security Premium	General Reserve	Retained Earnings	Equity Component of compound Financial Instruments (Preference Share)	Total
<b>Balance as at 1st April, 2021 (a)</b>	<b>33,454.08</b>	<b>27,159.63</b>	--	<b>9,658.88</b>	<b>70,272.59</b>
Profit for the year	--	--	15,697.03	--	15,697.03
Remeasurement gain/(loss) on Defined benefit plan	--	--	(267.59)	--	(267.59)
Other Comprehensive Income/(Loss)	--	--	3.08	--	3.08
<b>Total Comprehensive Income for the year (b)</b>	--	--	<b>15,432.52</b>	--	<b>15,432.52</b>
Transfer from Retained Earning	--	15,432.52	--	--	15,432.52
Transfer to General Reserve	--	--	(15,432.52)	--	(15,432.52)
<b>Total (c)</b>	--	<b>15,432.52</b>	<b>15,432.52</b>	--	--
<b>Balance as at 31<sup>st</sup> March, 2022 (d) = (a+b+c)</b>	<b>33,454.08</b>	<b>42,592.15</b>	--	<b>9,658.88</b>	<b>85,705.11</b>
Profit for the year	--	--	7,892.20	--	7,892.20
Remeasurement gain/(loss) on Defined benefit plan	--	--	62.40	--	62.40
Other Comprehensive Income/(Loss)	--	--	(1.78)	--	(1.78)
<b>Total Comprehensive Income for the year (e)</b>	--	--	<b>7,952.82</b>	--	<b>7,952.82</b>
Effect of Business Combination	7,763.57	(3,469.97)	--	(6,321.00)	(2,027.40)
Transfer from Retained Earning	--	7,952.82	--	--	7,952.82
Transfer to General Reserve	--	--	(7,952.82)	--	(7,952.82)
<b>Total (f)</b>	<b>7,763.57</b>	<b>4,482.85</b>	<b>(7,952.82)</b>	<b>(6,321.00)</b>	<b>(2,027.40)</b>
<b>Balance as at 31<sup>st</sup> March, 2023 (g) = (d+e+f)</b>	<b>41,217.65</b>	<b>47,075.00</b>	--	<b>3,337.88</b>	<b>91,630.53</b>

As per our separate report of even date attached  
**For K R AGGARWAL & ASSOCIATES**  
 Chartered Accountants  
 FRN : 030088N

For and on behalf of the Board

**Vivek Aneja**  
 Partner  
 M.No. : 544757  
 Place : Ludhiana  
 Dated : 30<sup>th</sup> May, 2023

**Mukesh Sood**  
 Company Secretary

**Bharat Bhushan Gupta**  
 Chief Financial Officer

**Dinesh Gogna**  
 Director  
 (DIN : 00498670)

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

**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023****Note: 1 Background**

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

**Note: 2 Significant accounting policies**

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

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

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

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

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

**(ii) Historical Cost Convention**

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

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

**(iii) Rounding of amounts**

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

**(iv) Recent Accounting Pronouncements****Standards issued but not yet effective:**

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS as explained below:

**Ind AS 1 – Presentation of Financial Statements**

The amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

**Ind AS 12 – Income taxes**

The definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

The above amendments are effective from annual periods beginning on or after 1st April, 2023.

**(b) Principal of consolidated and equity accounting.****1) Associates**

Associates are all entities over which the company has significant influence but not control or joint control. This is generally the case where the company holds between 20% and 50% of the voting rights. Investment in associates are

**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

accounted for using the equity method of accounting (see (ii) below), after initially being recognized at cost. The financial Statements of Investee companies have been prepared as per I-GAAP accounting principal.

**ii) Equity method**

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

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

The carrying amount of equity accounted investment are tested for impairments in accordance with the policy described in note 2 (i) below.

**(c) Fair Value Measurement**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**(d) Current versus non-current classification**

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

**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023****(e) Property, plant and equipment**

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

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the Written Down Value Method to allocate their cost, net of their residual values, over their useful lives. In case of new projects and major expansion of the existing units undertaken by the Company after 1st April, 2005 till 31st March, 2012, Depreciation charged on the Straight line method. Leasehold land is amortised over period of lease. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

**(f) Investment properties**

Property that is held for long term rental yields or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on the basis of Written Down Value Method based on expected life span of assets which is in accordance with Schedule II of the Companies Act, 2013. Significant parts of the property are depreciated separately based on their specific useful lives. Any gain or loss on disposal of investment properties is recognised in profit or loss account

**(g) Intangible assets Computer Software**

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

**(h) Non- Current Asset 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 a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale.

**(i) Impairment of Non-financial assets**

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

**(j) Inventories**

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

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

**(k) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a

**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

**(l) Government Grant**

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

**(m) Provisions, Contingent liabilities and Contingent Assets**

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

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

**(n) Foreign currency transaction****Initial Recognition:**

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

**Measurement of foreign currency items at reporting date:**

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

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

**(o) Revenue recognition**

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

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

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

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

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

**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023***Sale of goods*

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

*Rendering of services*

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

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

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

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

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

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

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

**(p) Short-term leases and leases of low-value assets**

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

**(q) Income Tax**

Income tax expense comprises current income tax and deferred tax.

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

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

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

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

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

**(r) Cash and cash equivalents**

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

**(s) Trade receivables**

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

**(t) Financial instruments**

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

**Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to





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**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

**Classification and Subsequent Measurement: Financial Assets**

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

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

**Amortised Cost:**

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

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

**Fair Value through OCI:**

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

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

**Fair Value through Profit or Loss:**

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

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

**Impairment of financial assets:**

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

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

**Derecognition of financial assets:**

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

**Classification and Subsequent Measurement: Financial liabilities:**

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

**Financial Liabilities at FVTPL:**

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



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**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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recognition as FVTPL:

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

**Other Financial Liabilities**

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

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

**Derecognition of financial liabilities**

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

**(u) Offsetting financial instruments**

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

**(v) Derivative financial instruments**

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

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

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

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

**(ii) Post-employment obligations**

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

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

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

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

**(iii) Defined contribution plans**

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

**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023****(x) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker [CODM]. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. The Company has Operating segments comprising of Textile, Sugar and Others.

**(y) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities when payment is due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(z) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method.

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

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

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company

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

**(ii) Diluted earnings per share**

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

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

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

**Note: 2.1 Critical estimates and judgements**

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

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

**Critical estimates and judgements**

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable -
- 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.



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

3(a). PROPERTY, PLANT AND EQUIPMENT		GROSS BLOCK										DEPRECIATION BLOCK				NET BLOCK	
		As at 01.04.2022	Effect of Business Combination	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2023	Upto 31.03.2022	Effect of Business Combination	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2023	As at 31.03.2023	As at 31.03.2022	(₹ in Lacs)			
Lease Hold Land	123.49	--	--	--	123.49	35.36	--	1.25	--	36.61	86.88	88.13					
Free Hold Land	10,142.87	--	357.17	301.90	10,198.14	--	--	--	--	--	10,198.14	10,142.87					
Building	33,470.23	--	12.17	*(269.70)	33,752.10	19,577.89	--	948.91	*(78.04)	20,604.84	13,147.26	13,892.34					
Plant & Machinery	142,973.70	477.85	3,597.21	3,734.20	143,314.56	121,063.35	416.53	3,339.92	3,411.43	121,408.37	21,906.19	21,910.35					
Furniture & Fixtures	977.57	16.52	4.71	43.03	955.77	847.28	15.64	33.55	40.60	855.87	99.90	130.29					
Office Equipment	1,343.55	76.10	86.33	100.44	1,405.54	1,150.77	72.39	90.94	96.43	1,217.67	187.87	192.78					
Vehicles	1,813.23	1.72	214.86	136.08	1,893.73	1,431.50	1.63	150.46	105.61	1,477.98	415.75	381.73					
<b>Total</b>	<b>190,844.64</b>	<b>572.19</b>	<b>4,272.45</b>	<b>4,045.95</b>	<b>191,643.33</b>	<b>144,106.15</b>	<b>506.19</b>	<b>4,565.03</b>	<b>3,576.03</b>	<b>145,601.34</b>	<b>46,041.99</b>	<b>46,738.49</b>					
Previous year	195,313.56	--	3,874.80	8,343.72	190,844.64	146,548.19	--	4,794.00	7,236.04	144,106.15	46,738.49	48,765.37					

\*Amount transferred from Non-Current Assets Held for Sale of ₹ 191.66 lacs (Gross Block of ₹ 269.70 lacs and accumulative depreciation of ₹ 78.04 Lacs)

3(b). CAPITAL WORK IN PROGRESS (CWIP)		Amount in CWIP for a period of	
Particulars	As at 31.03.2023	1-2 year	2-3 year more than 3 years
CWIP	3,367.05	--	--
<b>Total</b>	<b>3,367.05</b>	<b>3,367.05</b>	<b>3,367.05</b>
		Total	
<b>As at 31st March, 2023</b>		<b>Less than 1 year</b>	<b>Total</b>
As at 31st March, 2022		<b>3,367.05</b>	<b>3,367.05</b>
		502.64	502.64

(₹ In Lacs)



**Consolidated Notes to Financial Statements for the year ended 31st March, 2023**

4. INVESTMENT PROPERTY		(₹ in Lacs)										
		GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK
Particulars	As at 01.04.2022	Effect of Business Combination	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2023	Upto 31.03.2022	Effect of Business Combination	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Free Hold Land	715.57	--	*39.17	--	754.74	--	--	--	--	--	754.74	715.57
Building	6,441.94	--	1,268.69	--	7,710.63	936.80	--	268.47	--	1,205.27	6,505.36	5,505.14
<b>Total</b>	<b>7,157.51</b>	<b>--</b>	<b>1,307.86</b>	<b>--</b>	<b>8,465.37</b>	<b>936.80</b>	<b>--</b>	<b>268.47</b>	<b>--</b>	<b>1,205.27</b>	<b>7,260.10</b>	<b>6,220.71</b>
Previous year	5,348.60	--	1,808.91	--	7,157.51	746.99	--	189.81	--	936.80	6,220.71	4,601.61
*Addition during the year included ₹ 1.21 Lacs in Gross Block being Transferred from Property, Plants and Equipments.												
<b>Amount recognised in profit &amp; loss for investment properties:</b>												
<b>Particulars</b>	<b>31.03.2023</b>											
Rental Income	1,311.37											
Direct operating expenses that generated rental income	556.55											
<b>Profit/(loss) from leasing of investment properties</b>	<b>754.82</b>											
<b>5. OTHER INTANGIBLE ASSETS</b>												
5. OTHER INTANGIBLE ASSETS		(₹ in Lacs)										
		GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK
Particulars	As at 01.04.2022	Effect of Business Combination	Additions During the Year	Sale/ Adjustment during the year	As at 31.03.2023	Upto 31.03.2022	Effect of Business Combination	Provided during the year	Adjusted/ Written back during the year	Total upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software	458.31	100.91	--	--	559.22	458.31	100.91	--	--	559.22	--	--
<b>Total</b>	<b>458.31</b>	<b>100.91</b>	<b>--</b>	<b>--</b>	<b>559.22</b>	<b>458.31</b>	<b>100.91</b>	<b>--</b>	<b>--</b>	<b>559.22</b>	<b>--</b>	<b>--</b>
Previous year	458.31	100.91	--	--	458.31	458.31	100.91	--	--	458.31	--	--



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>6a. Investments</b>		
<b>(i) Investment in Equity Instrument</b>		
<b>Investment in Associates (Unquoted) (Cost)</b>		
180,000 Fully Paid Up Equity shares of ₹ 100/- each of J.L. Growth Fund Limited (Previous Year 180,000)	1,684.80	1,684.80
Add: Accumulated profit from Associated Company	<u>913.70</u>	<u>891.44</u>
	2,598.50	2,576.24
250,000 Fully Paid Up Equity shares of ₹ 100/- each of Vardhman Investment Limited (Previous Year 250,000)	1,475.00	1,475.00
Add: Accumulated profit from Associated Company	<u>222.15</u>	<u>215.74</u>
	1,697.15	1,690.74
164,000 Fully Paid Up Equity shares of ₹ 100/- each of Atam Vallabh Financers Limited (Previous Year 164,000)	1,066.00	1,066.00
Add: Accumulated profit from Associated Company	<u>143.53</u>	<u>138.69</u>
	1,209.53	1,204.69
Nil Fully Paid Up Equity shares of ₹ 10/- each of Cotton County Retail Limited (Previous Year 10,228,441)	3,793.12	3,793.12
Add: Accumulated Profit/(Loss) from Associated Company	--	(144.80)
Less: Effect of business combination	<u>3,793.12</u>	<u>--</u>
	--	3,648.32
<b>Sub Total</b>	<u><b>5,505.18</b></u>	<u><b>9,119.99</b></u>
<b>(ii) Investment in Equity Instrument</b>		
<b>Investments at fair value through OCI</b>		
<b>Investment in others (Quoted)</b>		
12,555 Fully Paid Up Equity shares of ₹ 10/- each of Pasupati Acrylon Ltd. (Previous Year 12,555)	3.09	4.86
50 Fully Paid Up Equity shares of ₹ 10/- each of Malwa Cotton Spinning Mills Limited (Previous Year 50)	0.02	0.02
<b>Sub Total</b>	<u><b>3.11</b></u>	<u><b>4.88</b></u>
<b>(iii) Investment in Equity Instrument</b>		
<b>Investments at fair value through OCI</b>		
<b>Investment in others (Unquoted)</b>		
30,900 Fully paid up Equity shares ₹ 10/- each of BPL Engineering Ltd. (Previous Year 30,900)	2.80	2.80
22,500 Fully paid up Equity shares ₹ 10/- each of Pertech Computer Ltd. (Previous Year 22,500)	0.23	0.23
7,700 Fully Paid up Equity shares ₹ 10/- each of R.S. Petro Chemical Ltd. (Previous Year 7,700)	0.08	0.08
3,360 Fully paid up Equity shares ₹ 100/- each of Nagdevi Trading & Investment Co. Ltd. (Previous Year 3,360)	0.51	0.51
3,558,786 Fully paid up Class-'A' Equity shares ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,558,786)	0.36	0.36
One Fully paid up Equity share ₹ 100/- each of Punjab State Co-operative Bank Ltd. (Previous Year One)	--	--
One Fully paid up Equity share ₹ 5,000/- each of Krishna Building Owners Association (Previous Year One)	0.05	0.05
<b>Sub Total</b>	<u><b>4.03</b></u>	<u><b>4.03</b></u>



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>(iv) INVESTMENT IN CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted) (Others)</b>		
<b>At Amortised Cost</b>		
3,156,958 Fully paid up Class 'A' 0.01% Cumulative Redeemable Preference Shares ₹ 10/- each of VS Lignite Power Pvt. Ltd. (Previous Year 3,156,958)	0.31	0.31
<b>Sub Total</b>	<b>0.31</b>	<b>0.31</b>
<b>(v) INVESTMENT IN NON-CUMULATIVE REDEEMABLE PREFERENCE SHARES (Unquoted) (Others)</b>		
<b>At Amortised Cost</b>		
4,000,000 Unlisted 5% Non - Cumulative Redeemable Preference Share face value of ₹ 100/- each at par (Partly paid up of ₹ 50/- each) Owm Poly Yarn Limited (Previous Year Nil)	2,000.00	--
<b>Sub Total</b>	<b>2,000.00</b>	<b>--</b>
<b>(vi) Investment in Limited liability partnership (LLP) (Unquoted) (Cost)</b>		
26% share of OWM Renew LLP (Associate)	227.50	227.50
Add: Accumulated profit/(Loss) from Associated Company	(78.93)	--
<b>Sub Total</b>	<b>148.57</b>	<b>227.50</b>
<b>TOTAL (i+ii+iii+iv+v+vi)</b>	<b>7,661.20</b>	<b>9,356.71</b>
1. Market Value of Quoted Investment	3.11	4.88
2. Aggregate amount of Unquoted Investment	7,658.09	9,351.83
3. Aggregate amount of Total Investment	7,661.20	9,356.71
<b>6b. Other Financial Assets</b> (Unsecured, considered good)		
Security deposits	1,837.77	1,224.37
<b>Total</b>	<b>1,837.77</b>	<b>1,224.37</b>
<b>7. Other Non-Current Assets</b>		
Capital Advances	335.56	335.56
Prepaid Lease Rentals	6.26	12.51
Prepaid Expense	187.63	223.76
<b>Total</b>	<b>529.45</b>	<b>571.83</b>
<b>8. Inventories</b> (As taken, valued and approved by management)		
Raw Materials	11,367.38	32,127.90
Work-in-Progress	3,156.02	4,346.77
Finished Goods	24,782.46	33,489.83
Stores and Spares	3,353.08	3,358.71
<b>Total</b>	<b>42,658.94</b>	<b>73,323.21</b>
<b>8.1 Detail of Inventory-Finished Goods</b>		
Yarn	4,794.12	7,837.05
Fabrics	6,632.16	10,449.63
Sugar	11,295.20	13,053.80
Other	2,060.98	2,149.35
<b>Total</b>	<b>24,782.46</b>	<b>33,489.83</b>



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>9a. Investments</b>		
<b>Investment in Debentures /Bonds (Quoted) at fair value through Profit and Loss</b>		
20 Units of ₹ 1,000,000 each of 9.10% Tata International Limited Perpetual bond (Previous Year Nil)	200.96	--
20 Units of ₹ 1,000,000 each of 9.95% U.P. Power Corporation Limited bond (Previous Year Nil)	205.69	--
26,300 units of ₹ 950/- each of 6.75% Pirammal Capital and Housing Finance Limited Debenture (Previous Year Nil)	207.16	--
<b>Total</b>	<b>613.81</b>	<b>--</b>
Market value of quoted investment	613.81	--
<b>9b. Trade receivables</b>		
(Unsecured, considered good)	16,365.94	27,679.55
<b>Total</b>	<b>16,365.94</b>	<b>27,679.55</b>

**Trade Receivables Ageing Schedule as on 31<sup>st</sup> March, 2023** (₹ in Lacs)

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	14,505.58	1,734.53	93.37	23.05	0.57	8.84	16,365.94
(ii) Undisputed Trade Receivables - which have a significant increase in credit risk	--	--	--	--	--	--	--
(iii) Undisputed Trade Receivables - credit impaired	--	--	--	--	--	--	--
(iv) Disputed Trade Receivables - considered good	--	--	--	--	--	--	--
(v) Disputed Trade Receivables - which have a significant increase in credit risk	--	--	--	--	--	--	--
(vi) Disputed Trade Receivables - credit impaired	--	--	--	--	--	--	--

**Trade Receivables Ageing Schedule as on 31<sup>st</sup> March, 2022** (₹ in Lacs)

Particulars	Not Due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	25,969.38	1,646.44	29.30	7.03	4.56	22.84	27,679.55
(ii) Undisputed Trade Receivables - which have a significant increase in credit risk	--	--	--	--	--	--	--
(iii) Undisputed Trade Receivables - credit impaired	--	--	--	--	--	--	--
(iv) Disputed Trade Receivables - considered good	--	--	--	--	--	--	--
(v) Disputed Trade Receivables - which have a significant increase in credit risk	--	--	--	--	--	--	--
(vi) Disputed Trade Receivables - credit impaired	--	--	--	--	--	--	--





**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>9c. Cash and cash equivalents</b>		
Balances with banks - current accounts	35.66	27.48
Cash-in-Hand	16.76	37.04
<b>Total</b>	<b>52.42</b>	<b>64.52</b>
<b>9d. Other bank balances</b>		
Unpaid Dividend Account	60.16	60.32
Fixed deposit having original maturity more than 3 months but less than 12 months	208.04	424.20
<b>Total</b>	<b>268.20</b>	<b>484.52</b>
<b>9e. Loans</b>		
(Unsecured, considered good)		
Loans to employees	79.35	75.52
<b>Total</b>	<b>79.35</b>	<b>75.52</b>
<b>9f. Other Financial assets</b>		
(Unsecured, considered good)		
FDR Interest accrued	8.64	4.14
Derivative Assets	4.50	19.53
Government Grant Receivables	--	2,188.13
<b>Total</b>	<b>13.14</b>	<b>2,211.80</b>
<b>10. Current tax assets (Net)</b>		
Advance Income Tax/TDS Certificate	15.24	326.75
<b>Total</b>	<b>15.24</b>	<b>326.75</b>
<b>11. Other current assets</b>		
Advances to suppliers	3,444.43	4,634.93
Advances to employees	50.57	43.18
Balance with government authorities	5,297.57	7,996.84
Prepaid expenses	349.16	475.39
Prepaid Lease rentals	6.26	6.26
Gratuity fund	103.43	--
Expense recoverable	53.82	320.18
<b>Total</b>	<b>9,305.24</b>	<b>13,476.78</b>
<b>12. Non-current assets held for sale</b>		
Assets held for disposal	--	622.70
<b>Total</b>	<b>--</b>	<b>622.70</b>
<b>13. Authorised Share Capital :</b>		
100,000,000 Equity Shares of ₹ 10/- each (Previous Year 50,000,000)	10,000.00	5,000.00
10,550,000 Preference Shares of ₹ 100/- each (Previous Year 12,500,000)	10,550.00	12,500.00
<b>Total</b>	<b>*20,550.00</b>	<b>17,500.00</b>
* Increased amount of ₹ 3,050 Lacs pursuant to effect of business combination.		
<b>Issued, Subscribed and Fully Paid up:</b>		
39,835,141 Equity Shares of ₹ 10/- each (Previous Year 39,835,141)	3,983.51	3,983.51
Add: 33,70,440 Equity Shares of ₹ 10/- each allotted pursuant to Effect of Business Combination	337.05	--
Add: Share Forfeited Account (Amount originally paid up)	19.91	19.91
<b>Total</b>	<b>4,340.47</b>	<b>4,003.42</b>
4,000,000 Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 11,620,000)	*4,000.00	11,620.00
<b>Total</b>	<b>**4,000.00</b>	<b>11,620.00</b>

\*\*Reduced amount of ₹ 7,620 lacs pursuant to effect of business combination.



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

\* ₹ 3,337.88 Lacs (Previous Year ₹ 9,658.88 Lacs) shown as Equity Component of Compound financial instruments under the head Other Equity (note no. 14)

\* ₹ 880.17 Lacs (Previous Year ₹ 2,415.61 Lacs) shown as Liability Component of Compound financial instruments under the head Borrowings (note no. 15a(i))

\* ₹ 12.93 Lacs (Previous year ₹ 82.50 Lacs) being statutory fees paid in earlier years was reduced and shown as net in Rate & Taxes as per Ind-AS

\* ₹ 230.98 Lacs (Previous Year ₹ 536.99 Lacs) shown as interest expense provided under the head finance cost as per Ind-AS

**a. Reconciliation of the number of Shares outstanding :**

**Equity Shares**

At the beginning of the year	<b>39,835,141</b>	39,835,141
Add: Shares pursuant to Effect of Business Combination during the period	<b>3,370,440</b>	--
Outstanding at the end of year	<b>43,205,581</b>	<u>39,835,141</u>

**Preference Shares**

At the beginning of the year	<b>11,620,000</b>	11,620,000
Less: Shares pursuant to Effect of Business Combination during the period	<b>7,620,000</b>	--
Outstanding at the end of year	<b>4,000,000</b>	<u>11,620,000</u>

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

**Equity Shares**

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

**Preference Shares**

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

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

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

Particulars	As At 31st March, 2023		As At 31st March, 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
<b>Equity Share</b>				
J.L. Growth Fund Ltd.	<b>7,476,586</b>	<b>17.30</b>	6,446,456	16.18
Vardhman Investment Ltd.	<b>4,770,131</b>	<b>11.04</b>	3,915,131	9.83
Oswal Woollen Mills Ltd.	<b>2,094,819</b>	<b>4.85</b>	2,094,819	5.26
Nagdevi Trading & Investment Co. Ltd.	<b>2,386,839</b>	<b>5.52</b>	2,354,279	5.91
Kovalam Investment & Trading Co. Ltd.	<b>6,189,679</b>	<b>14.33</b>	6,168,408	15.48
Atam Vallabh Financiers Ltd.	<b>4,007,679</b>	<b>9.28</b>	3,212,679	8.06
Vanaik Investor Ltd.	<b>3,221,486</b>	<b>7.46</b>	2,753,275	6.91
<b>Preference Share</b>				
Cotton County Retail Ltd.	--	--	7,620,000	65.58
Nahar Capital & Financial Services Ltd.	<b>4,000,000</b>	<b>100.00</b>	4,000,000	34.42



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**d. Disclosure of Shareholding of Promoters in Equity Shares.**

Promoter Name	As At 31st March, 2023		As At 31st March, 2022		% change during the Year
	Number of Shares	% of holding	Number of Shares	% of holding	
<b>Equity Share</b>					
Jawahar Lal Oswal	1,000	--	1,000	--	--
Kamal Oswal	1,294	--	1,294	--	--
Dinesh Oswal	1,000	--	1,000	--	--
Manisha Oswal	1,000	--	1,000	--	--
Rishabh Oswal	9,039	0.02	1,000	--	803.90
Abhinav Oswal	9,039	0.02	1,000	--	803.90
Sanjana Oswal	9,039	0.02	1,000	--	803.90
Sambhav Oswal	500	--	500	--	--
Tanvi Oswal	500	--	500	--	--
Ritu Oswal	500	--	500	--	--
J.L. Growth Fund Ltd.	7,476,586	17.30	6,446,456	16.18	15.98
Vardhman Investment Ltd.	47,70,131	11.04	3,915,131	9.83	21.84
Oswal Woollen Mills Ltd.	2,094,819	4.85	2,094,819	5.26	--
Nagdevi Trading & Investment Co. Ltd.	2,386,839	5.52	2,354,279	5.91	1.38
Kovalam Investment & Trading Co. Ltd.	6,189,679	14.33	6,168,408	15.48	0.34
Atam Vallabh Financiers Ltd.	4,007,679	9.28	3,212,679	8.06	24.75
Vanaik Investor Ltd.	3,221,486	7.46	2,753,275	6.91	17.01
Nahar Growth Fund Pvt. Ltd.	245,792	0.57	2,45,792	0.62	--
Abhilash Growth Fund Pvt. Ltd.	355,143	0.82	1,93,545	0.49	83.49
<b>Total</b>	<b>30,781,065</b>	<b>71.24</b>	<b>27,393,178</b>	<b>68.77</b>	

**14. Other Equity**

**Securities Premium Account**

Balance as per last Balance Sheet	33,454.08		33,454.08	
Add: Effect of Business Combination	<u>7,763.57</u>		--	
		<b>41,217.65</b>		<b>33,454.08</b>

**Equity Component of Compound financial instruments (Preference Shares)**

Balance as per last Balance Sheet	9,658.88		9,658.88	
Less: Effect of Business Combination	<u>6,321.00</u>	<b>3,337.88</b>	--	<b>9,658.88</b>



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars		As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>General Reserve</b>			
Balance as per last Balance Sheet	42,592.15	27,159.63	
Add: Transfer from Retained Earning	7,952.82	15,432.52	
Less: Effect of Business Combination	<u>3,469.97</u>	47,075.00	42,592.15
<b>Retained Earnings</b>			
Balance as per last Balance Sheet	--	--	
Add: Profit for the year	7,892.20	15,697.03	
Add: Remeasurement gain/(loss) on defined benefit plan	62.40	(267.59)	
Add: Other Comprehensive income	(1.78)	3.08	
Balance Transferred to General Reserve	<u>(7,952.82)</u>	(15,432.52)	--
<b>Total</b>		<u>91,630.53</u>	<u>85,705.11</u>
<b>15a. Borrowings</b>			
<b>*Term loans (Secured)</b>			
From Banks		5,081.11	5,616.81
<b>Others Unsecured</b>			
i) Liability component of Compound financial instruments Unlisted 5.5% Non-Convertible Non-Cumulative Redeemable Preference Share (NCNCRPS)		880.17	2,415.61
<b>Total</b>		<u>5,961.28</u>	<u>8,032.42</u>

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

**15a.1** Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2023.

Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans

As At 31st March, 2023 (₹ in Lacs)*	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2023	
		No.	Periodicity
1,229.36	5	4	Quarterly
389.82	9	29	Quarterly
1,941.98	5	17	Quarterly
14.91	5	1	Quarterly
1,838.59	7	72	Monthly
324.73	8	84	Monthly
1,587.15	8.5	92	Monthly
451.01	8	84	Monthly
27.10	5	19	Monthly
14.98	1	6	Monthly
<u>7,819.63</u>			



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

\* Figures of term loan stated in para 15a .1 (i) includes current maturities of Long term debt shown separately in notes no. 19a and exclude ₹ 2.50 Lacs transaction cost amortised over the period of Term loan.

- Term Loan from Indian Bank, Punjab National Bank and Canara Bank are secured by hypothecation as pari-passu first charge on whole of the immovable properties of the Company situated at Village Jalalpur, Chandigarh Ambala Road, Lalru, Distt. Mohali, Industrial Focal Point, Phase-VIII, Village Mundian, Distt. Ludhiana, Village Jaladiwal, Near Raikot, Distt. Ludhiana (Punjab), Village Udaipur / Khljuriwas, Bhiwadi, Distt. Alwar (Rajasthan) and Village Salana Jeon Singh Wala, Tehsil Amlah, Distt. Fatehgarh Sahib (Punjab) Including the Company's movable Plant and Machinery, Machinery Spares and other moveables both present and future and subject to the charge or charges created or to be created by the Company in favour of its Bankers on its movables and also personally guaranteed by some of the Directors of the Company.
  - Term Loan (secured) includes ₹ 42.08 Lacs as vehicle loan taken from ICICI Bank and damlier against hypothecation of the respective Vehicles only.
  - Term loan (secured) includes ₹ 4,201.48 Lacs as LRD facility taken from HDFC Bank Ltd. against exclusive charge on the title deeds situated at Focal Point, Phase-IV, Ludhiana.
- ii) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.

**15a.2** Repayment terms and security disclosures for the outstanding long-term borrowings (including current maturities) as on 31st March, 2022.

Terms of repayment of long term borrowings:

i) Terms of Repayment of term loans

As At 31st March, 2022 (₹ in Lacs)*	Repayment Period from origination (years)	Installments outstanding as on 31st March, 2022  No.	Periodicity
612.24	6	3	Quarterly
29.09	5	1	Quarterly
863.68	5	3	Quarterly
2,361.74	5	8	Quarterly
19.77	5	1	Quarterly
593.18	13.75	44	Quarterly
1,612.88	5	20	Quarterly
15.00	5	20	Quarterly
2,080.00	7	84	Monthly
360.00	8	96	Monthly
12.04	3	11	Monthly
42.37	5	32	Monthly
130.86	2.5	8	Monthly
<b>8,732.85</b>			

\* Figures of term loan stated in para 15a.2 (i) includes current maturities of Long term debt shown separately in notes no. 19a and exclude ₹ 4.47 Lacs transaction cost amortised over the period of Term loan.

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



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<ul style="list-style-type: none"> <li>● Term Loan (secured) includes ₹ 54.41 Lacs as vehicle loan taken from ICICI Bank against hypothecation of the respective Vehicles only.</li> <li>● Term loan (secured) includes ₹ 2,440.00 Lacs as LRD facility taken from HDFC Bank Ltd. against exclusive charge on the title deeds situated at Focal Point, Phase-IV, Ludhiana.</li> <li>● Term loan include ₹ 130.86 Lacs as common covid -19 emergency credit line received from the working capital banks and are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.</li> </ul>		
ii) NCNCRPS shall be redeemable at par within a period not exceeding 20 years from date of their issue or an earlier date only at the discretion of the company.		
<b>15b. Other Financial Liabilities</b>		
Security deposit	316.02	190.00
<b>Total</b>	<b>316.02</b>	<b>190.00</b>
<b>16. Provisions</b>		
Provision for Gratuity	--	19.62
<b>Total</b>	<b>--</b>	<b>19.62</b>
<b>17. Deferred Tax Liabilities (net)</b>		
<b>Deferred Tax Liability</b>		
Relating to Property, plant and equipment, IND AS adjustment etc.	2,288.09	1,971.16
Others	243.07	224.18
<b>Deferred Tax Assets</b>		
Disallowance u/s 43B of the Income Tax Act, 1961, brought forward losses and other etc.	(39.97)	(67.07)
<b>Total</b>	<b>2,491.19</b>	<b>2,128.27</b>
<b>18. Other Non-current Liabilities</b>		
Deferred Income	60.63	60.30
<b>Total</b>	<b>60.63</b>	<b>60.30</b>
<b>19a. Borrowings</b>		
From Banks		
Loans repayable on demand	*18,850.21	*55,560.71
Current Maturities	2,736.02	3,111.57
Loans and advances from related parties (Unsecured)	102.86	2,201.16
Others	--	**1,500.00
<b>Total</b>	<b>21,689.09</b>	<b>62,373.44</b>
19a.1 *Include ₹ Nil Lacs (previous year ₹ 906.61 lacs) as common covid -19 emergency credit line received from the working capital banks due within one year.		
19a.2 *Working Capital Borrowings are secured by hypothecation of stock of Raw Materials, Work-in-Progress, Finished Goods, Stores and Book Debts and further secured by 2nd pari-passu charge on fixed Assets of the Company and also personally guaranteed by some of the Directors of the Company.		
19a.3 **Secured against post dated cheque and guaranteed by a Director of the Company.		
<b>19b. Trade Payables</b>		
Micro, Small and Medium Enterprises	245.79	1,766.77
Others	5,005.25	13,801.34
<b>Total</b>	<b>5,251.04</b>	<b>15,568.11</b>

**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
-------------	--	--

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

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
The Principal amount and the interest due thereon unpaid to any supplier		
- Principal Amount	245.79	1,766.77
- Interest thereon	--	--
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	--	--
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	--	--
The amount of interest accrued and remaining unpaid.	--	--
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	--	--

**Trade payable ageing schedule as on 31<sup>st</sup> March, 2023**

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	106.00	139.79	--	--	--	245.79
(ii) Others	4,549.89	394.54	40.90	2.26	17.66	5,005.25
(iii) Disputed dues - MSME	--	--	--	--	--	--
(iv) Disputed dues-Others	--	--	--	--	--	--
<b>Total</b>	<b>4,655.89</b>	<b>534.33</b>	<b>40.90</b>	<b>2.26</b>	<b>17.66</b>	<b>5,251.04</b>

**Trade payable ageing schedule as on 31<sup>st</sup> March, 2022**

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	1,306.10	460.67	--	--	--	1,766.77
(ii) Others	13,016.98	652.86	87.43	13.78	30.29	13,801.34
(iii) Disputed dues - MSME	--	--	--	--	--	--
(iv) Disputed dues-Others	--	--	--	--	--	--
<b>Total</b>	<b>14,323.08</b>	<b>1,113.53</b>	<b>87.43</b>	<b>13.78</b>	<b>30.29</b>	<b>15,568.11</b>



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
<b>19c. Other Financial Liabilities</b>		
Unpaid Dividend	60.16	60.32
Due to Employees	2,037.13	2,044.57
Others	994.77	1,096.77
<b>Total</b>	<b>3,092.06</b>	<b>3,201.66</b>
19c.1 Unclaimed Dividend do not include any amount due and outstanding to be credited to Investor's Education and Protection Fund.		
<b>20. Other Current Liabilities</b>		
Statutory dues payables	485.20	509.12
Advance from customers	482.92	451.57
Deferred Income	28.08	15.98
Others	19.14	531.61
<b>Total</b>	<b>1,015.34</b>	<b>1,508.28</b>
<b>21. Provisions</b>		
Provision for Employee Benefits	222.19	89.46
<b>Total</b>	<b>222.19</b>	<b>89.46</b>
<b>22. Revenue from Operations</b>		
Sale of Products	168,755.95	190,674.67
Sale of services	1,204.23	1,026.21
Miscellaneous sales	6,416.15	6,649.28
<b>Other operating revenue</b>		
Export Incentives	1,011.04	2,285.69
<b>Total</b>	<b>177,387.37</b>	<b>200,635.85</b>
<b>22.1 Details of Products Sold</b>		
Yarn	71,780.75	110,414.54
Fabrics	77,505.80	68,745.70
Sugar	17,842.20	9,821.18
Others	9,247.58	9,368.74
<b>Total</b>	<b>176,376.33</b>	<b>198,350.16</b>
<b>23. Other Income</b>		
Interest income	190.53	73.69
Dividend Income	19.32	20.50
Rental Income	1,326.40	911.95
Profit on sale of Fixed Assets	2,752.33	355.55
Others	35.55	219.24
<b>Total</b>	<b>4,324.13</b>	<b>1,580.93</b>
<b>24. Cost of Materials Consumed</b>		
Opening stock	32,127.90	24,371.22
Add : Effect of business combination	6.71	--
Add : Purchases (Net)	71,411.45	121,558.85
Less : Closing Stock	11,367.38	32,127.90
<b>Total</b>	<b>92,178.68</b>	<b>113,802.17</b>
<b>24.1 Detail of Cost of Material Consumed</b>		
Fibres	69,780.59	95,066.65
Yarn	7,603.07	4,968.97
Sugarcane	14,319.34	13,766.55
Others	475.68	--
<b>Total</b>	<b>92,178.68</b>	<b>113,802.17</b>





**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
<b>25. Purchases of stock-in-trade</b>		
Yarn	1,549.15	4,434.39
Fibre/Waste	1,543.78	715.65
<b>Total</b>	<b>3,092.93</b>	<b>5,150.04</b>
<b>26. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Opening Stock</b>		
Work-in-progress	4,346.77	3,675.23
Finished Goods	33,489.83	20,763.07
Add: Effect of business combination	32.95	--
<b>Sub Total</b>	<b>37,869.55</b>	<b>24,438.30</b>
<b>Less: Closing Stock</b>		
Work-in-progress	3,156.02	4,346.77
Finished Goods	24,782.46	33,489.83
<b>Sub Total</b>	<b>27,938.48</b>	<b>37,836.60</b>
<b>Total</b>	<b>9,931.07</b>	<b>(13,398.30)</b>
<b>27. Employee Benefits Expense</b>		
Salary, Wages and Other Allowances	14,703.85	14,556.02
Contribution to provident and other funds	1,714.67	1,592.96
Staff welfare expenses	157.01	155.20
Staff Recruitment & Development expenses	6.95	8.63
<b>Total</b>	<b>16,582.48</b>	<b>16,312.81</b>
<b>28. Finance cost</b>		
Interest Expense	3,376.33	5,148.64
MTM loss/(gain) on forward Contracts	15.03	(104.08)
Other Borrowings Cost	374.76	514.38
<b>Total</b>	<b>3,766.12</b>	<b>5,558.94</b>
<b>29. Other expenses</b>		
<b>a. Manufacturing Expenses</b>		
Consumption of Stores, consumables & spare parts	13,480.14	13,893.14
Power and Fuel	19,048.68	25,121.72
Handling and Restacking charges	337.10	449.69
Machinery Repairs and Maintenance	1,021.15	736.60
<b>Sub Total</b>	<b>33,887.07</b>	<b>40,201.15</b>
<b>b. Administrative &amp; Other Expenses</b>		
Rent	13.11	10.10
Rates & Taxes	253.46	213.10
Insurance	695.72	561.38
Legal & Professional Expenses	234.56	214.35
Travelling & Conveyance*	547.64	182.17
Vehicle Repair & Maintenance	1,626.85	1,600.98
Repairs and Maintenance	544.25	416.65
Payment To Auditor	16.88	16.08
Loss on Sale/Discard of Fixed Assets	128.55	92.90
Directors' Remuneration**	744.47	874.22
Directors' Meeting Fees	5.70	4.80
Charity & Donation	404.35	0.78
Miscellaneous Expenses	229.50	758.29
<b>Sub Total</b>	<b>5,445.04</b>	<b>4,945.80</b>

\*Include Directors' Travelling of ₹ 306.86 Lacs (Previous Year ₹ 78.57 Lacs)

\*\* Include ₹ 135.00 lacs commission provided during the year (Previous year ₹ 325.00 lacs)



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
<b>c. Selling Expenses</b>		
Forwarding and Octroi	1,237.87	2,310.83
Commission & Brokerage	530.57	794.19
<b>Sub Total</b>	<u>1,768.44</u>	<u>3,105.02</u>
<b>Total (a+b+c)</b>	<u>41,100.55</u>	<u>48,251.97</u>
<b>29.1 Payment to Auditors</b>		
As Auditor:		
Audit fee	11.21	10.71
Tax audit fee	3.29	3.29
In other capacity	1.34	1.31
Reimbursement of expenses	1.04	0.77
<b>Total</b>	<u>16.88</u>	<u>16.08</u>
<b>30. Tax Expense</b>		
Current Tax	1,871.30	3,892.68
Deferred Tax	312.46	1,998.91
<b>Total</b>	<u>2,183.76</u>	<u>5,891.59</u>
<b>30.1 Reconciliation of tax liability of book profit/(Loss) vis-a-vis actual Tax Liability</b>		
Accounting Profit Before Tax	10,075.96	21,588.62
Enacted Tax Rate	25.168%	25.168%
Current Tax	2,535.92	5,433.42
Less : Reversal of deferred tax on temporary differences etc.	352.16	(458.17)
<b>Income Tax reported in the Statement of Profit &amp; Loss</b>	<u>2,183.76</u>	<u>5,891.59</u>
<b>31. CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>		
a) Letter of Credits in favour of suppliers and others Nil Lacs (Previous Year ₹ 7,264.56 Lacs )		
b) Bank Guarantees in favour of suppliers and others ₹ 1,513.98 Lacs (Previous Year ₹ 684.31 Lacs)		
c) Sales tax demands against which the company has preferred appeals ₹ 57.74 Lacs (Previous Year ₹ 57.74 Lacs)		
d) Income tax demands against which the company has preferred appeals ₹ 203.65 Lacs (Previous Year ₹ 1,245.32 Lacs.)		
e) The Central Excise Authorities have issued show cause notices to the Company for ₹ 522.82 Lacs on various matters under the Central Excise Rules (Previous Year ₹ 608.38 Lacs). The Company has filed suitable reply with the concerned authorities.		
f) The Company has executed bonds / legal undertakings for an aggregate amount of ₹ 83.11 Lacs (Previous Year ₹ 1,154.10 Lacs) in favour of the President of India for fulfilment of its obligation under the rules made Central Excise Act, 1944 and Customs Act, 1962.		
g) Claims of ₹ 3,866.58 Lacs (Previous Year ₹ 3,967.49 Lacs) lodged against the company on various matters are not acknowledged as debts. The company has filed suitable replies with the concerned authorities.		
h) Employees State Insurance corporation has raised demand of ₹ 124.62 Lacs (Previous Year ₹ 124.62 Lacs) The Company deposited ₹ 94.64 Lacs against the said demand . The company has filed the Civil Suit before the Civil Judge (Sr. Div.), ESI Court , Ludhiana		
i) Advances recoverable amount includes ₹ 609.56 Lacs (Previous Year ₹ 609.56 Lacs) on account of GST paid under protest as mentioned in the Note No. 32 (i) of the balance sheet as at 31st March, 2019.		
<b>32. Capital Commitment</b>		
Estimated amount of contracts in capital account (net of advances/LC issued) remaining to be executed and not provided for ₹ Nil Lacs (Previous Year ₹ 6,013.05 Lacs).		



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

33. The Company has undertaken export obligations of ₹ 2,444.51 Lacs (Previous Year ₹ 25,419.42 Lacs) to export goods against the issuance of Import Licenses / Advance Licenses for the Import of Capital Goods and Raw Materials. Out of this, export obligations of ₹ 864.82 Lacs (Previous Year ₹ 23,839.73 Lacs) have been fulfilled up to 31 March, 2023.
34. The Company has considered the possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position and recoverability of the carrying value of its assets on account of future uncertainties in the Global Market, based on the internal and external sources of information and application of the reasonable estimates, the company does not foresee presently any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future.
35. In the opinion of the Board of Directors, the Current Assets and Loans & Advances have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet, unless stated otherwise.
36. Export/domestic bills discounted during the year under Letter of Credit outstanding as on 31.03.2023 for ₹ 2,959.12 Lacs (Previous Year ₹ 5,335.75 Lacs) have been reduced from Bank Borrowings and correspondingly from Sundry Debtors.
37. **Earnings Per Share (EPS) (Ind AS-33)**

Particulars	2022-23	2021-22
Profit after Tax (₹ in Lacs)	<b>7,892.20</b>	15,697.03
Weighted average no. of ordinary shares	<b>39,853,609</b>	39,835,141
Weighted average no. of diluted shares	<b>39,853,609</b>	39,835,141
Nominal value of ordinary share (₹)	<b>10.00</b>	10.00
Basic / Diluted Earning Per Share (₹)	<b>19.80</b>	39.41

38. **Segment Information as required by Ind AS-108 “Operating Segments” and compiled on the basis of the financial statements is as under :-**

	(₹ in Lacs)							
	Textile		Sugar		Others		Total	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
<b>Segment Revenue</b>								
Total Revenue	156,282.83	186,540.87	20,561.30	12,373.35	11.83	35.18	176,855.96	198,949.40
Less: Inter Segment Revenue							479.63	599.24
Net Revenue							176,376.33	198,350.16
<b>Segment Results</b>								
Profit/ (Loss) before interest & tax	13,028.25	25,867.21	1,389.68	1,150.51	(459.76)	129.84	13,958.17	27,147.56
Less: Interest							3,766.12	5,558.94
Profit / (Loss) Before tax							10,192.05	21,588.62
Segment Assets	97,941.63	142,007.15	16,202.84	18,752.93	21,925.37	21,120.02	136,069.84	182,880.10
Segment Liabilities	22,310.73	67,746.35	5,532.13	11,414.47	1,067.48	738.43	28,910.34	79,899.25
<b>Capital Employed</b>								
Segment Assets- Segment Liabilities	75,630.90	74,260.80	10,670.71	7,338.46	20,857.89	21,381.59	107,159.50	102,980.85



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

- 39. Related Party Disclosures as required by IND AS-24 as under:-**
- (a) Disclosure of Related Parties and relationship between the parties.
- 1 Associates:** J.L. Growth Fund Limited, Vardhman Investment Limited, Atam Vallabh Financers Limited, OWM Renew LLP\*
- 2 Key Management Personnel:** Sh. Jawahar Lal Oswal (Chairman), Sh. Kamal Oswal (Vice Chairman-cum-Managing Director), Sh. Abhinav Oswal (Executive Director), Sh. Dinesh Oswal (Non-Executive Director), Sh. Dinesh Gogna (Non-Executive Director), Sh. Navdeep Sharma (Non-Executive Director), Sh. Parvinder Singh Pruthi (Non-Executive Director), Dr. Suresh Kumar Singla (Non-Executive Director), Sh. Ved Parkash Gaur (Non-Executive Director), Mrs. Manisha Gupta (Non-Executive Director), Dr. Roshan Lal Behl (Non-Executive Director), Dr. Y.P. Sachdeva (Non-Executive Director), Sh. Bharat Bhushan Gupta (Chief Financial Officer), Sh. Mukesh Sood (Company Secretary)
- 3 Relatives of Key Management Personnel:** Mrs. Abhilash Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mrs. Ruchika Oswal, Mrs. Monika Oswal, Mr. Rishab Oswal, Mrs. Sanjana Oswal, Mrs. Ishita Oswal.
- 4. \*Enterprises in which Key Management Personnel and relative of such personnel is able to exercise significant influence or control:** Oswal Woollen Mills Ltd., Nahar Spinning Mills Ltd., Monte Carlo Fashion Limited, Hug Foods Pvt. Ltd., Nagdevi Trading & Investment Co. Ltd., KMRA Associates LLP, OWM Poly Yarn Ltd., Abhilash Growth Fund Pvt. Ltd., Nahar Industrial Infrastructure Corporation Ltd., Jawahar Lal Oswal Public Charitable Trust, Oswal Foundation (Regd.).
- b) Detail of transactions entered into with related parties during the year\*\*:

Particulars	Associates				Key Management Personnel		Enterprises in which Key Manager Personnel and relative of such personnel is able to exercise significant influence or control		Relative of Key Management Personnel	
	31 <sup>st</sup> March 2023		31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2023		31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2023	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Purchase of goods/services	474.05	1.57	--	--	4,448.88	10,877.07	--	--	--	--
Sales of Goods	--	--	--	--	12,052.09	23,537.02	--	--	--	--
Purchase of fixed assets	--	--	--	--	133.07	44.73	--	--	--	--
Sale of fixed assets	--	--	--	--	2,009.83	47.05	--	--	--	--
Freight Income	--	--	--	--	709.55	695.20	--	--	--	--
Sale of FMP/FMS license	--	--	--	--	246.60	22.16	--	--	--	--
Processing charges received	--	--	--	--	160.40	69.63	--	--	--	--
Interest Expenses	--	12.68	--	--	26.49	185.33	--	--	--	--
Dividend Received	--	--	--	--	19.32	20.50	--	--	--	--
Rent received	--	--	15.00	15.00	228.68	156.79	--	--	--	--
Reimbursement of Expenses Received	--	2.40	--	--	213.78	198.63	--	--	--	--
Reimbursement of Expenses Paid	--	--	--	--	9.59	13.91	--	--	--	--
Director Meeting Fee	--	--	6.73	5.66	--	--	--	--	43.56	24.36
Remuneration	--	--	--	--	--	--	--	--	--	--
Loan received	--	7.07	--	--	130.77	2,028.59	--	--	--	--
Loan re-paid	--	1.00	--	--	2,063.00	2,000.00	--	--	--	--
Investment in LLP	--	227.50	--	--	--	--	--	--	--	--
Investment in Preference Share	--	194.30	--	--	2,000.00	--	--	--	--	--
Security given	--	--	--	--	--	--	--	--	--	--
Security received	--	--	--	--	--	393.92	--	--	--	--
Charity & Donation	--	--	--	--	100.00	--	--	--	--	--
Corporate Social Responsibility (CSR) Activities	--	--	--	--	102.58	--	--	--	--	--
Balance Receivable/(Payable) (net)	130.23	28.39	--	--	587.11	(3.96)	--	--	--	--

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

\*\* All transactions are inclusive of taxes wherever applicable.



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**Remuneration of KMP**

Particulars	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
i) Short Term benefits	801.63#	926.97#
ii) Post Employment Benefits	63.69	64.10
<b>Total</b>	<b>865.32</b>	<b>991.07</b>

# Includes Remuneration, commission and perks paid to Vice Chairman-cum-Managing Director and Executive Director of ₹ 747.59 Lacs during the current year and ₹ 876.29 Lacs during the previous year

**40. Significant accounting judgements, estimates and assumptions**

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

**Estimates and assumptions**

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

**Defined benefit plans (gratuity benefits)**

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

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

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

**Impairment of non-financial assets**

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

**Income taxes**

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

**Property, plant and equipment**

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

**Fair value measurement of financial instruments**

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



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**41. Post Retirement Benefits Plan (Ind AS 19)**

**Defined Benefit Plan**

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

<b>Particulars</b>	<b>31st March 2023</b> (₹ in Lacs)	31st March 2022 (₹ in Lacs)
<b>Changes in defined benefit obligation</b>		
Present value obligation as at the start of the year	3,532.30	2,892.34
Interest cost	217.55	168.80
Current service cost	397.72	330.67
Aaquisitions ( Credit) cost	19.54	--
Actuarial loss/(gain) - Experience Changes	(19.32)	106.19
Actuarial loss / (gain) Financial Assumption	(42.35)	284.39
Benefits paid	(305.23)	(250.09)
Present value obligation as at the end of the year	<u>3,800.21</u>	<u>3,532.30</u>
<b>Change in fair value of plan assets</b>		
Fair value of plan assets as at the start of the year	3,512.68	3,198.42
Aaquisitions ( Credit) cost	84.63	--
Interest income on plan assets	231.91	197.65
Employer Contributions	357.92	333.71
Return on plan assets (greater)/lesser than discount Rates	21.72	32.99
Benefits paid	(305.23)	(250.09)
<b>Fair value of plan assets as at the end of the year</b>	<u>3,903.63</u>	<u>3,512.68</u>
<b>Breakup of Actuarial (gain)/loss:</b>		
Actuarial (gain)/loss on arising from change in financial assumption	(42.35)	284.39
Actuarial (gain)/loss on arising from experience adjustment	(19.32)	106.19
Return on plan assets (greater)/lesser than discount rate	(21.72)	(32.99)
	<u>(83.39)</u>	<u>357.59</u>
<b>Net Asset/(Liability) recognized in Balance Sheet</b>		
Present value obligation as at the end of the year	3,800.21	3,532.30
Fair value of plan assets as at the end of the year	3,903.63	3,512.68
<b>Net Asset/(Liability) in Balance Sheet</b>	<u>103.42</u>	<u>(19.62)</u>



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Particulars	As at 31 <sup>st</sup> March, 2023 (₹ in Lacs)	As at 31 <sup>st</sup> March, 2022 (₹ in Lacs)
<b>Amount recognized in the statement of profit and loss</b>		
Current service cost	397.72	330.67
Interest cost	217.55	168.80
Interest Income on plan assets	(231.91)	(197.65)
	<b>383.36</b>	<b>301.82</b>
<b>(Income)/Expense recognized in the statement of profit and loss</b>		
<b>Remeasurements recognized in the statement of Other Comprehensive Income (OCI)</b>		
Experience Adjustments	(19.32)	106.19
Changes in Financial Assumptions	(42.35)	284.39
Return on plan assets (greater)/lesser than discount Rates	(21.72)	(32.99)
	<b>(83.39)</b>	<b>357.59</b>
<b>Net Loss/(Gain) recognized in other comprehensive income</b>		
<b>Plan assets information</b>		
Insurer Manage Funds	100%	100%
<b>Actuarial assumptions</b>		
Discount rate	7.10%	6.40%
Salary Escalation Rate	7.50%	7.00%
Employee turnover Rate	12.00%	12.00%

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

**Sensitivity analysis for gratuity liability**

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

**Impact of the change in discount rate**

a) Impact due to increase of 0.50%	(92.88)	(91.04)
b) Impact due to decrease of 0.50%	97.81	96.06

**Impact of change in salary Escalation Rate**

a) Impact due to increase of 0.50%	93.30	91.33
b) Impact due to decrease of 0.50%	(89.89)	(87.95)

**Impact of change in Employee turnover Rate**

a) Impact due to increase of 0.50%	(37.20)	(45.87)
b) Impact due to decrease of 0.50%	44.25	59.26

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



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

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

Particulars	31st March 2023	31st March 2022
<b>Description</b>		
March 31, 2023	--	627.36
March 31, 2024	<b>771.01</b>	507.18
March 31, 2025	<b>491.66</b>	467.58
March 31, 2026	<b>521.21</b>	497.89
March 31, 2027	<b>539.10</b>	525.29
March 31, 2028	<b>617.05</b>	--
March 31, 2028 to March 31, 2032	--	2,938.31
March 31, 2029 to March 2033	<b>3,130.01</b>	--

**42. Fair Value Measurement**

**(a) Financial Instruments by category and hierarchy**

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

Particulars	As At 31st March, 2023			As at 31st March, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*						
- Equity instruments	--	<b>7.14</b>	--	--	8.91	--
- Preference Shares	--	--	<b>2,000.31</b>	--	--	0.31
Other Financial Assets (Non Current)	--	--	<b>1,837.77</b>	--	--	1,224.37
Trade receivables	--	--	<b>16,365.94</b>	--	--	27,679.55
Investment (Current)	<b>613.81</b>	--	--	--	--	--
Cash and cash equivalents	--	--	<b>52.42</b>	--	--	64.52
Other Bank Balances	--	--	<b>268.20</b>	--	--	484.52
Loans (Current)	--	--	<b>79.35</b>	--	--	75.52
Other financial assets (Current)	<b>4.50</b>	--	<b>8.64</b>	19.53	--	2,192.27
<b>Total Financial Assets</b>	<b>618.31</b>	<b>7.14</b>	<b>20,612.63</b>	19.53	8.91	31,721.06

Particulars	As At 31st March, 2023			As at 31st March, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings (Non current)	--	--	<b>5,961.28</b>	--	--	8,032.42
Security deposit	--	--	<b>316.02</b>	--	--	190.00
Borrowings (Current)	--	--	<b>21,689.09</b>	--	--	62,373.44
Trade payables	--	--	<b>5,251.04</b>	--	--	15,568.11
Unpaid dividend	--	--	<b>60.16</b>	--	--	60.32
Due to Employees	--	--	<b>2,037.13</b>	--	--	2,044.57
Other financial liabilities	--	--	<b>994.77</b>	--	--	1,096.77
<b>Total Financial Liabilities</b>	--	--	<b>36,309.49</b>	--	--	89,365.63

\*Investment value exclude investment in associates which are shown at cost in Balance Sheet as per Ind As 27, "Separate Financial Statement"





**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(b) Fair value hierarchy**

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

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

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Equity instruments	3.11	--	4.03	4.88	--	4.03
Derivative Assets	4.50	--	--	19.53	--	--
Investment (Current)	613.81	--	--	--	--	--
<b>Total</b>	<b>621.42</b>	<b>--</b>	<b>4.03</b>	<b>24.41</b>	<b>--</b>	<b>4.03</b>

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

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Preference Shares	--	--	2,000.31	--	--	0.31
Other Financial Assets (Non Current)	--	--	1,837.77	--	--	1,224.37
Trade receivables	--	--	16,365.94	--	--	27,679.55
Cash and cash equivalents	--	--	52.42	--	--	64.52
Other Bank Balances	--	--	268.20	--	--	484.52
Loans (Current)	--	--	79.35	--	--	75.52
Other financial assets (Current)	--	--	8.64	--	--	2,192.27
<b>Total Financial assets</b>	<b>--</b>	<b>--</b>	<b>20,612.63</b>	<b>--</b>	<b>--</b>	<b>31,721.06</b>

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial liabilities</b>						
Borrowings (Non current)	--	--	5,961.28	--	--	8,032.42
Security deposit	--	--	316.02	--	--	190.00
Borrowings (Current)	--	--	21,689.09	--	--	62,373.44
Trade payables	--	--	5,251.04	--	--	15,568.11
Unpaid dividend	--	--	60.16	--	--	60.32
Due to Employees	--	--	2,037.13	--	--	2,044.57
Other Financial Liabilities	--	--	994.77	--	--	1,096.77
<b>Total Financial Liabilities</b>	<b>--</b>	<b>--</b>	<b>36,309.49</b>	<b>--</b>	<b>--</b>	<b>89,365.63</b>



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

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

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

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

Particulars	As At 31 <sup>st</sup> March, 2023		As At 31 <sup>st</sup> March, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Preference Share	2,000.31	2,000.31	0.31	0.31
Other financial assets (Non-Current)	1,837.77	1,837.77	1,224.37	1,224.37
<b>Total</b>	<b>3,838.08</b>	<b>3,838.08</b>	1,224.68	1,224.68
<b>Financial liabilities</b>				
Borrowings (Non-Current)	5,961.28	5,961.28	8,032.42	8,032.42
Security deposit	316.02	316.02	190.00	190.00
<b>Total</b>	<b>6,277.30</b>	<b>6,277.30</b>	8,222.42	8,222.42

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

**43. Financial risk management objectives and policies**

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

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



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(A) Market risk**

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

**a) Interest rate risk**

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

Particulars	As At 31st March 2023 (₹ in Lacs)	As At 31st March 2022 (₹ in Lacs)
Variable rate borrowings	26,667.34	65,789.09
Fixed rate borrowings	983.03	4,616.77
<b>Total</b>	<b>27,650.37</b>	<b>70,405.86</b>

**Interest rate sensitivity**

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

Particulars	Effect on Profit Before Tax	
	As at 31st March 2023 (₹ in Lacs)	As at 31st March 2022 (₹ in Lacs)
Increase by 50 basis points	(133.34)	(328.94)
Decrease by 50 basis points	133.34	328.94

**b) Foreign currency risks**

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

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

Particulars	As At 31st March 2023 (₹ in Lacs)	As At 31st March 2022 (₹ in Lacs)
Trade Payable		
-USD	146.64	127.84
-EUR	3.19	8.05
-CHF	--	--



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**Foreign currency sensitivity**

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

Particulars	Effect on Profit Before Tax	
	As at 31st March 2023 (₹ in Lacs)	As at 31st March 2022 (₹ in Lacs)
<b>USD Sensitivity</b>		
Decrease by 5%	7.33	6.39
Increase by 5%	(7.33)	(6.39)
<b>EUR Sensitivity</b>		
Decrease by 5%	0.16	0.40
Increase by 5%	(0.16)	(0.40)
<b>CHF Sensitivity</b>		
Decrease by 5%	--	--
Increase by 5%	--	--

**ii) Foreign Currency Exposure (Forward Booking)**

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

Category wise Quantitative Data Type Contract	As At 31st March 2023 (₹ in Lacs)	As At 31st March 2022 (₹ in Lacs)
Forward contracts against Exports (US \$)	1,684.11	4,040.20
Forward contracts against imports (US \$)	--	--

**(B) Credit risk**

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

**Credit risk management**

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

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



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**Financial assets that expose the entity to credit risk:**

Particulars	As At 31st March 2023 (₹ in Lacs)	As At 31st March 2022 (₹ in Lacs)
<b>Low credit risk on reporting date</b>		
Investments (Non-Current)	7,661.20	9,356.71
Other financial assets (Non-Current)	1,837.77	1,224.37
Trade receivables	16,365.94	27,679.55
Cash and cash equivalents	52.42	64.52
Other bank balances	268.20	484.52
Loans (current)	79.35	75.52
Investment (current)	613.81	--
Other financial asset (Current)	13.14	2,211.80
<b>Total</b>	<b>26,891.83</b>	<b>41,096.99</b>
<b>Moderate credit risk</b>	--	--
<b>High credit risk</b>	--	--

**Cash & cash equivalents and bank deposits**

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

**Trade receivables**

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

Gross carrying amount of trade receivables (for ageing Refer note no. 9b)

**Other financial assets measured at amortised cost**

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

**(C) Liquidity risk**

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

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

(₹ in Lacs)

Particulars	As At 31st March 2023	As At 31st March 2022
<b>Floating rate</b>		
<b>(a) Expiring within one year</b>		
<b>(Bank overdraft and other facilities)</b>		
<b>Secured : Cash credit facilities</b>	<b>37,499.79</b>	<b>7,439.29</b>
<b>(b) Expiring beyond one year (Bank loans)</b>		
<b>Secured : Term loan from banks</b>	<b>500.00</b>	<b>--</b>



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

Particulars						(₹ in Lacs)	
	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total undiscounted contractual cash flows	Carrying amount of liabilities	
<b>Year ended 31<sup>st</sup> March 2023</b>							
Contractual maturities of borrowings	21,586.23	1,184.61	2,499.76	1,399.24	26,669.84	26,667.34	
Loan & Advances from related party (Unsecured)	102.86	--	--	--	102.86	102.86	
5.5% Non convertible non cumulative Redeemable Preference Share (Unsecured)	--	--	--	4,000.00	4,000.00	880.17	
Contractual maturities of trade payable	5,251.04	--	--	--	5,251.04	5,251.04	
Contractual maturities of security deposit received	--	29.61	383.85	--	413.46	316.02	
Contractual maturities of other financial liabilities	3,031.90	--	--	--	3,031.90	3,031.90	
Unpaid Dividend	60.16	--	--	--	60.16	60.16	
<b>TOTAL</b>	<b>30,032.19</b>	<b>1,214.22</b>	<b>2,883.61</b>	<b>5,399.24</b>	<b>39,529.26</b>	<b>36,309.49</b>	

Particulars						(₹ in Lacs)	
	0-1 Years	1 to 2 Years	2 to 5 Years	More than 5 Years	Total undiscounted contractual cash flows	Carrying amount of liabilities	
<b>Year ended 31<sup>st</sup> March 2022</b>							
Contractual maturities of borrowings	60,172.29	1,882.48	2,163.68	1,575.10	65,793.55	65,789.08	
Loan & Advances from related party (Unsecured)	2,201.16	--	--	--	2,201.16	2,201.16	
5.5% Non convertible non cumulative Redeemable Preference Share (Unsecured)	--	--	--	11,620.00	11,620.00	2,415.61	
Contractual maturities of trade payable	15,568.11	--	--	--	15,568.11	15,568.11	
Contractual maturities of security deposit received	--	33.80	239.38	--	273.18	190.00	
Contractual maturities of other financial liabilities	3,141.34	--	--	--	3,141.34	3,141.34	
Unpaid Dividend	60.32	--	--	--	60.32	60.32	
<b>TOTAL</b>	<b>81,143.22</b>	<b>1,916.28</b>	<b>2,403.06</b>	<b>13,195.10</b>	<b>98,657.66</b>	<b>89,365.62</b>	

**44. Capital Management**

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

Particulars	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Borrowings</b>	<b>27,650.37</b>	70,405.86
<b>Trade payables</b>	<b>5,251.04</b>	15,568.11
<b>Less: Cash and cash equivalents</b>	<b>52.42</b>	64.52
<b>Net debt (A)</b>	<b>32,848.99</b>	85,909.45
<b>Equity (B)</b>	<b>95,971.00</b>	89,708.53
<b>Capital and net debt (A+B)</b>	<b>128,819.99</b>	1,75,617.98
<b>Gearing ratio</b>	<b>25.50</b>	48.92



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
The amount required to be spent	116.09	Nil
The amount spent	116.09	Nil

In accordance with the provisions of section 135 of the Companies Act 2013, the board of directors of the company had constituted a CSR committee. The company had decided to carry out its CSR activities through a consortium formed by group companies as per scheme of CSR. During the financial year 2022-23 there is ₹ 116.09 lacs liability under CSR as calculated under the provisions of section 135 of the Companies Act 2013 and the same has been spent during the year.

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

(₹ in Lacs)

Particulars	Long-term borrowings (Including current maturities)	Short-term borrowings	Total
<b>As at 1<sup>st</sup> April, 2022</b>	<b>13,345.15</b>	<b>57,060.71</b>	<b>70,405.86</b>
<b>Cash flows:</b>			
Proceeds from borrowings	3,909.10	(38,210.50)	(34,301.40)
Proceeds from others	130.77	--	130.77
Repayment of borrowings	(4,691.47)	--	(4,691.47)
Repayment of borrowings (Covid Loan)	(130.86)	--	(130.86)
Repayment of others	(2,063.00)	--	(2,063.00)
Effect of business combination	(1,778.07)	--	(1,778.07)
<b>Ind AS Adjustment:</b>			
Impact of adjustment on borrowings/preference shares	78.54	--	78.54
<b>As at 31<sup>st</sup> March, 2023</b>	<b>8,800.16</b>	<b>18,850.21</b>	<b>27,650.37</b>

47. The scheme of Amalgamation (the scheme) between the company (transferee company) and the associate company i.e. Cotton County Retail Ltd. (transferor company) has been approved by the Hon'ble National Company Law Tribunal (NCLT) u/s 230-232 and other applicable provisions of the Companies Act, 2013 vide its order dated February 21, 2023. The scheme become effective upon filing of certified copy of the NCLT order with Registrar of Companies, Chandigarh on 18th March, 2023.

Pursuant to the scheme of amalgamation; the authorised capital of the company stands increased to ₹ 20,550 lacs, 7,620,000 5.5% non-convertible non-cumulative redeemable preference share of ₹ 100/- each held by the transferor company in the transferee company stands extinguished, 10,228,441 equity shares of ₹ 10/- each of transferor company held by the transferee company stands cancelled and the company has allotted 33,70,440 fully paid up equity shares of ₹ 10/- each to the eligible share holders of the transferor company.



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**48. Additional Regulatory Information :**

**(a) Ratio**

Particulars	Formula	31st March, 2023			31st March, 2022			%Variance
		Numerator (₹ in Lacs)	Denominator (₹ in Lacs)	Ratio	Numerator (₹ in Lacs)	Denominator (₹ in Lacs)	Ratio	
<b>Current ratio (in times)*</b>	Current Assets / Current Liabilities	<b>69,372.28</b>	<b>31,269.72</b>	<b>2.22</b>	117,642.65	82,740.95	1.42	56.34
<b>Debt-Equity Ratio (in times)*</b>	Total Debt / Shareholder's Equity	<b>27,650.37</b>	<b>95,971.00</b>	<b>0.29</b>	70,405.86	89,708.53	0.78	62.82
<b>Debt Service Coverage Ratio (in times)</b>	Earnings available for debt service / Debt Service	<b>16,491.82</b>	<b>10,652.62</b>	<b>1.55</b>	26,239.78	13,482.29	1.95	(20.51)
<b>Return on Equity Ratio (in %)**</b>	Net Profit/(Loss) for the year less Preference Dividend (if any) /Average Shareholder's Equity	<b>7,892.20</b>	<b>92,839.77</b>	<b>8.50</b>	15,697.03	81,992.27	19.14	(55.59)
<b>Inventory Turnover Ratio (in times)</b>	Revenue from Operations/ Average Inventory	<b>177,387.37</b>	<b>57,991.08</b>	<b>3.06</b>	200,635.85	62,377.22	3.22	4.97
<b>Trade Receivables Turnover Ratio (in times)</b>	Revenue from Operations / Average Trade Receivables	<b>177,387.37</b>	<b>22,022.75</b>	<b>8.05</b>	200,635.85	23,736.92	8.45	4.73
<b>Trade Payables Turnover Ratio (in times)*</b>	Net Credit Purchases/ Average Trade Payables	<b>74,504.38</b>	<b>10,409.58</b>	<b>7.16</b>	126,708.89	12,372.31	10.24	30.08
<b>Net Capital Turnover Ratio (in times)</b>	Revenue from Operations/ Working Capital	<b>177,387.37</b>	<b>38,102.56</b>	<b>4.66</b>	200,635.85	34,901.70	5.75	(18.96)
<b>Net Profit Ratio (in %)**</b>	Net Profit/ (Loss) for the Period /Revenue from Operations	<b>7,892.20</b>	<b>177,387.37</b>	<b>4.45</b>	15,697.03	200,635.85	7.82	(43.09)
<b>Return on Capital Employed (in %)**</b>	Earnings before Interest and Tax/ Capital Employed	<b>13,842.08</b>	<b>107,159.49</b>	<b>12.92</b>	27,147.56	102,980.85	26.36	50.99
<b>Return on Investment (in %)**</b>	Income Generated from Investments/ Average funds invested	<b>1,358.29</b>	<b>15,556.27</b>	<b>8.73</b>	932.45	14,642.22	6.37	37.05

\* Increased ratio is due to improvement in working capital.

\*\* Decreased ratio is due to lower profitability.

\*\*\* Improvement in ratio is due to increased income from investment.

(b) The title deeds of immovable properties included in Property, Plant, and Equipment are held in the name of the Company, except for as shown in the table below:

Relevant Line Item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in Lacs)	Title Deeds held in the name of	Whether the title deed holder is promoter, director or relative of promoter/ director, or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Land at Village Jalalpur, Lalru Distt. Mohali	1,177.41	Nahar Industrial Infrastructure Corporation Ltd.	No	2006	The company is in process to registered title deed in its name

(c) The company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(d) The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

(e) The company has not enter into any transactions during the year with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

- (f) The Company does not have any charges or satisfaction of charges which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- (g) The restrictions related to the number of layers as prescribed under Companies (Restriction on Number of Layers) Rules, 2017 do not apply to our company, not being having any subsidiary.
- (h) The company has not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities(intermediaries), with the understanding that the intermediary shall;
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
  - ii. Provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.
- (i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or
  - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Company has borrowings from banks and financial institutions on the basis of the security of current assets and movable assets. The Company has complied with the requirement of filing of monthly/ quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2023.
- (k) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- (l) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (m) The company has not revalued any of its Property, Plant, and Equipment, or Intangible assets during the year.
- (n) The company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs, and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- (o) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 49. The Schedule III to the Companies Act, 2013 had been amended in respect of certain regrouping/disclosures vide notification dated 24th March, 2021 which are applicable w.e.f 1st April 2021, the figures have been presented in the above financial statement after considering the said amendments.
- 50. Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.
- 51. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever considered necessary to make them comparable.



**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023**

52. Details of Associates										
(a) Investments in Associates are accounted for using the equity method in Consolidated Financial Statements.										
Name of Entity	% of Ownership interest		Relationship	Accounting method	Proportion of Ownership Interest					
	(31st March, 2023)	(31st March, 2022)			As At 31st March, 2023	As At 31st March, 2022				
	(₹ In Lacs)	(₹ In Lacs)			(₹ In Lacs)	(₹ In Lacs)				
J.L Growth Fund Ltd.	41.10%	41.10%	Associate	Equity Method	2,598.50	2,576.24				
Vardhman Investment Ltd.	47.17%	47.17%	Associate	Equity Method	1,697.15	1,690.74				
Atam Vallabh Financiers Ltd.	36.85%	36.85%	Associate	Equity Method	1,209.53	1,204.69				
Cotton County Retail Ltd.	--	47.66%	Associate	Equity Method	--	3,648.32				
OWM Renew LLP	26.00%	26.00%	Associate	Equity Method	148.57	227.50				
<b>Total Equity Accounted Investment</b>					<b>5,653.75</b>	<b>9,347.49</b>				
(b) Summarised Financial information for the associates.										
Particulars	J.L Growth Fund Ltd.		Vardhman Investment Ltd.		Atam Vallabh Financiers Ltd.		Cotton County Retail Ltd.		OWM Renew LLP	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)
<b>Non-Current Assets</b>	5,307.81	5,307.81	3,369.40	3,364.79	3,042.11	3,035.88	-	7,685.97	3,154.08	2,346.70
<b>Current Assets</b>	7.98	7.09	0.76	3.72	0.83	1.21	-	4.22	128.57	249.98
Cash and Cash equivalents	189.44	140.96	96.19	83.33	63.03	54.65	-	310.90	576.17	1,608.02
Other Assets	5,505.23	5,455.86	3,466.35	3,451.84	3,105.97	3,091.74	-	8,001.09	3,858.82	4,204.70
<b>Total Assets</b>	18.84	23.65	4.91	3.98	4.68	3.59	-	5.67	2657.60	2934.11
Non- Current Liabilities	18.84	23.65	4.91	3.98	4.68	3.59	-	5.67	629.79	395.58
Current Liabilities	18.84	23.65	4.91	3.98	4.68	3.59	-	5.67	3,287.39	3,329.69
<b>Total Liabilities</b>										
(c) Summarised statement of profit and loss.										
Particulars	J.L Growth Fund Ltd.		Vardhman Investment Ltd.		Atam Vallabh Financiers Ltd.		Cotton County Retail Ltd.		OWM Renew LLP	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)
Revenue	62.88	68.65	12.55	10.22	14.00	10.68	-	52.42	474.08	--
Interest Income	10.14	25.05	6.21	5.10	4.07	3.14	--	12.68	3.50	--
Depreciation and amortisation	--	--	--	--	--	--	--	(1.54)	--	--
Interest Expense	--	--	--	--	--	--	--	(0.33)	--	--
Tax Expense	(18.28)	(23.25)	(4.59)	(3.72)	(4.43)	(3.39)	--	--	--	--
Profit and loss for the period	54.17	70.02	13.59	11.03	13.15	10.06	--	(35.59)	(303.57)	--
Other Comprehensive Income	--	--	--	--	--	--	--	--	--	--
<b>Total Comprehensive Income</b>	54.17	70.02	13.59	11.03	13.15	10.06	--	(35.59)	(303.57)	--

**Consolidated Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023****(d) Movement of Investment using equity Method**

<b>Particulars</b>	<b>As at 31st March 2023 (₹ in Lacs)</b>	<b>As at 31st March 2022 (₹ in Lacs)</b>
<b>(a) J.L Growth Fund Limited</b>		
Opening balance of interest in associates	2,576.24	2,547.47
Add:- Share of profit/(Loss) for the period	22.26	28.77
Closing Balance of interest in associates	<u>2,598.50</u>	<u>2,576.24</u>
<b>(b) Vardhman Investment Limited.</b>		
Opening balance of interest in associates	1,690.74	1,685.54
Add:- Share of profit/(Loss) for the period	6.41	5.20
Closing Balance of interest in associates	<u>1,697.15</u>	<u>1,690.74</u>
<b>(c) Attam vallabh Financiers Limited</b>		
Opening balance of interest in associates	1,204.69	1,200.98
Add:- Share of profit/(Loss) for the period	4.84	3.71
Closing Balance of interest in associates	<u>1,209.53</u>	<u>1,204.69</u>
<b>(d) Cotton County Retail Limited</b>		
Opening balance of interest in associates	3,648.32	3,665.28
Add:- Share of profit/(Loss) for the period	--	(16.96)
Less:- Effect of Business Combination	3,648.32	--
Closing Balance of interest in associates	<u>--</u>	<u>3,648.32</u>
<b>(e) OWM Renew LLP</b>		
Opening balance of interest in associates	227.50	--
Addition during the year	--	227.50
Add:- Share of profit/(Loss) for the period	(78.93)	--
Closing Balance of interest in associates	<u>148.57</u>	<u>227.50</u>

**AOC-I**

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

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

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

Sr	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
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----- The Company has no Subsidiary -----

**PART "B": Associates and Joint Ventures**

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

Name of Associates	J L Growth Fund Ltd	Vardhman Investment Ltd.	Atam Vallabh Financiers Ltd.	OWM Renew LLP
1. Latest Audited Balance Sheet Date	31.03.2023	31.03.2023	31.03.2023	31.03.2023
2. Shares of Associate held by the Company on the year end				
No. of Shares	1,80,000	2,50,000	1,64,000	26% SHARE
Amount of Investment in Associates (Rs. In lacs)	1,684.80	1,475.00	1,066.00	227.50
Extent of holding %	41.10	47.17	36.85	26.00
3. Description of how there is significant influence	There is significant influence due to percentage (%) of share capital			
4. Reason why associate is not consolidated	Not Applicable			
5. Net Worth attributable to shareholding as per latest audited Balance Sheet	2,254.90	1,632.76	1142.83	148.57
6. Profit/loss for the year After Tax				
Considered in consolidation	22.26	6.41	4.84	(78.93)
Not considered in consolidation	-	-	-	-

1. Name of associates or joint venture which are yet to commence operation: Nil

2. Name of associates or joint venture which have been liquidated or sold during the year : Nil - Refer Note No. 47

**Mukesh Sood**  
Company Secretary

**Bharat Bhushan Gupta**  
Chief Financial Officer

**Dinesh Gogna**  
Director  
(DIN : 00498670)

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

Place : Ludhiana  
Dated : 30th May, 2023







# Glimpse of CSR Project undertaken by Oswal Foundation



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