



The Nahar Group

24th

Annual Report

2011 - 2012



Nahar

POLY FILMS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal

Sh. Kamal Oswal

Sh. Dinesh Gogna

Sh. Satish Kumar Sharma

Sh. Komal Jain

Dr. (Mrs.) H.K. Bal

Dr. Om Parkash Sahni

Prof. Kanwar Sain Maini

Dr. Suresh Kumar Singla

Dr. Yash Paul Sachdeva

Dr. Amrik Singh Sohi

Chairman

Director

Director

Director

Executive Director

Director

Director

Director

Director

Director

Director

Director

REGISTERED OFFICE

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

BANKERS

Oriental Bank of Commerce
Bank of Maharashtra

AUDITORS

M/s. Gupta Vigg & Co.,
Chartered Accountants,
101-Kismat Complex,
G.T. Road, Miller Ganj,
LUDHIANA-141 003

24th ANNUAL GENERAL MEETING

Day : Saturday
Date : 29th September, 2012
Time : 10.45 A.M.
Place : At the Premises of
Nahar Industrial Enterprises
Limited, Focal Point, Ludhiana

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Save Tree Save Earth

Green Initiative

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

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

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



NOTICE

Notice is hereby given that the **Twenty Fourth Annual General Meeting** of the members of **Nahar Poly Films Limited**, will be held on **Saturday, the 29th day of September, 2012 at 10.45 A.M.** at the premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Sh. Komal Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Dinesh Oswal, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint a Director in place of Sh. Jawahar Lal Oswal, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Dr. (Mrs.) H.K. Bal, who retires by rotation and being eligible, offers herself for re-appointment.
7. To appoint Auditors who shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Gupta Vigg & Co., Chartered Accountants, the retiring Auditors of the Company being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to provisions of Section 198,269,309 and 310 and all other applicable provisions, if any, of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII (Including any statutory modifications or re-enactment thereof, for the time being in force), consent and approval of the company is hereby accorded for the re-appointment of Sh. Satish Kumar Sharma as Executive Director of

the company for a period of 5 years w.e.f. 1st August, 2012 on the remuneration and perquisites set out below:

A. SALARY: Rs.83500.00 per month

B. Perquisites and other allowances:

I) HOUSING:

- a) House Rent Allowance will be paid @30% of the salary.
- b) Medical Reimbursement: Expenses incurred for Sh. Satish Kumar Sharma and his family subject to ceiling of one month's salary in a year.
- c) Exgratia/bonus: As per company's rule.
- d) Provident Fund: Company's contribution to provident fund shall be in accordance with rules and regulations of the company.
- e) Gratuity: As per rules of the company payable at the rate of half month's salary for each completed year of service.
- f) Leave with wages: As per company's rule.
- g) Provision of car for use of company's business and telephone at residence will be provided by the company. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.
- h) Other perquisites will be provided as per company's rule.

"Resolved further that wherein any financial year during the currency of tenure of the Executive Director, the company has no profits or its profits are inadequate, the company shall pay Sh. Satish Kumar Sharma remuneration by way of salary, perquisites and other allowances etc. not exceeding the limits specified under section II of the Part II of schedule XIII of the Companies Act, 1956."

"Resolved further that the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified in schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment, thereof, for the time



being in force or any amendments or modifications that may hereafter be made thereto by the Central Government), as may be agreed to between the Board of Directors and Sh. Satish Kumar Sharma."

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps as may be necessary to give effect to above resolution."

BY ORDER OF THE BOARD

PLACE : LUDHIANA

ATUL SUD

DATED: 28th July, 2012

(Company Secretary)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO.8**

Sh. Satish Kumar Sharma was appointed as Executive Director of the company with effect from 01.08.2007 for 5 years. His tenure as Executive Director is expiring on 31.07.2012. Sh. Satish Kumar Sharma is 59 years of age. He is MBA and is having more than 30 years experience as Corporate Executive. Having regard to his knowledge and experience, remuneration committee recommended his re-appointment and salary. The board has decided (subject to the approval of shareholders), to re-appoint him as Executive Director for further period of 5 years commencing from 1st August, 2012. Sh. Satish Kumar Sharma, is eligible for re-appointment as Executive Director and his remuneration and perquisites as set out in the resolution are in accordance with the Provisions of schedule XIII of the Companies Act, 1956.

His Directorship/Membership in the committee(s) of the Board in other companies is as under:

Name of the company	Committee	Status
1. Nahar Spinning Mills Ltd.,	Share transfer	Member
	Shareholders	Member
	Grievances	
	Remuneration	Chairman
2. Nahar Capital & Financial Services Ltd.	Audit	Member
	Shareholders	Member
	Grievances	

Remuneration Member

Your directors recommend the resolution for your approval.

None of the Directors except Sh. Satish Kumar Sharma, is in any way, concerned or interested in the resolution.

The resolution as given in the notice may also be treated as an abstract of the terms of contract of appointment under the provision of Section 302 of the Companies Act, 1956.

The terms and conditions of appointment as set out in the draft agreement to be entered into between the company and Sh. Satish Kumar Sharma, is available for inspection at the Registered office of the company.

BY ORDER OF THE BOARD

PLACE : LUDHIANA

ATUL SUD

DATED: 28th July, 2012

(Company Secretary)

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.
2. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business under item 8 is annexed hereto and forms part of the notice.
3. The Register of Members and Share Transfer Register of the company shall remain closed from 21st September, 2012 to 29th September, 2012 (both days inclusive).
4. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members, whose name appear in the Register of Members as on 29th September, 2012 or Register of Beneficial owner, maintained by the Depositories at the close of 20th September, 2012.



5. Pursuant to the section 205C of the Companies Act, 1956, all unclaimed dividends up to the financial year 2003-2004 have been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2004-2005 is to be transferred to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 in November, 2012. Shareholders who have not encashed their dividend warrants relating to the said period are requested to claim the amount from the company at the earliest. Further we also inform that once the amount is deposited with Investor Education and Protection Fund, it cannot be claimed later on as per the Companies (Amendment) Act, 1999.
6. The bank account particulars of the members will be printed on the dividend warrants. Members holding shares in physical form are requested to immediately notify change in their address/Bank details to the Company's Share transfer Agent M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055 or to the Company at its Registered Office 376-Industrial Area-A, Ludhiana-141003. Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 19th September, 2012.
7. Since the company's shares are in compulsory demat trading, to ensure better service and elimination of risk to holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
8. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form 2B).
9. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the information ready.
10. Members are requested to bring the copy of Annual Report along with them, at the meeting.
11. The information required to be provided under clause 49 of the Listing Agreement entered into with Stock Exchanges, regarding the Directors who are

proposed to be re-appointed are annexed hereto and forms part of the notice.

12. The documents referred to in the accompanying Explanatory Statement are open for inspection at the Registered Office of the company on any working day (except Sunday and Holiday) between 10.00 A.M. to 12.00 Noon upto the date of Annual General Meeting.

Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Directors seeking appointment/re-appointment:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/reappointed are given below:

1. **Name** : **SH. KOMAL JAIN**
Age : 57 Years
Qualification : M.A.
Expertise : Having Business experience of more than 36 years in the Industry

His directorship/membership in the committees of the board in other companies are as under:

Name of the Company	Committee	Status
1. Girnar Investments Limited	-	-
2. Sankheshwar Holding Co., Limited	-	-
3. Vanaik Investors Limited	-	-
4. White Tiger Breweries & Distilleries Limited	-	-

2. **Name** : **Sh. DINESH OSWAL**
Age : 47 Years
Qualification : Commerce Graduate
Expertise : Having Business experience of more than 27 years in the Industry.

His directorship/membership in the committees of the board in other companies are as under:

Name of the Company	Committee	Status
1. Nahar Spinning Mills Limited	-	-
2. Oswal Woollen Mills Limited	-	-
3. Nahar Capital And Financial Services Limited	-	-



4. Nahar Industrial Enterprises Limited	-	-	11. Palam Motels Ltd.	-	-
5. Nahar Industrial Infrastructure Corp.Limited	-	-	12. Sankheshwar Holdings Co. Ltd.	-	-
6. Palam motels Limited	-	-	13. Monte Carlo Fashions Ltd.	-	-
7. Vardhman Investments Limited	-	-	14. Nagdevi Trading & Investment Co. Ltd.	-	-
8. Vanaik Investors Limited	-	-	15. Crown Star Ltd. (U.K.)	-	-
9. J L Growth Fund Limited	-	-	16. Abhilash Growth Fund (P) Ltd.	-	-
10. Atam Vallabh Financiers Limited	-	-	17. Nahar Growth Fund (P) Ltd.	-	-
11. Shankheshwar Holding Co. Limited	-	-	18. Monica Growth Fund (P) Ltd.	-	-
12. Monte Carlo Fashion Limited	-	-	19. Ruchika Growth Fund (P) Ltd.	-	-
13. Cotton County Retail Limited	-	-	20. Neha Credit and Invt. (P) Ltd.	-	-
14. Crown Star Limited (U.K.)	-	-			
15. Abhilash Growth Fund Pvt. Limited	-	-			
16. Ludhiana Holdings Limited	-	-			

3. Name : Sh. Jawahar Lal Oswal
 Age : 69 Years
 Qualification : Graduate
 Expertise : Having more than 48 years experience in Textile and Woollen Industry.

His directorship/membership in the committees of the board in other companies is as under:

Name of the Company	Committee	Status
1. Oswal Woollen Mills Ltd.	-	-
2. Nahar Spinning Mills Ltd.	-	-
3. Nahar Capital And Financial Services Ltd	-	-
4. Nahar Industrial Enterprises Ltd.	-	-
5. J.L. Growth Fund Ltd.	-	-
6. Atam Vallabh Financiers Ltd.	-	-
7. Girnar Investment Ltd.	-	-
8. Ludhiana Holdings Ltd.	-	-
9. Vanaik Investors Ltd.	-	-
10. Vardhman Investments Ltd.	-	-

4. Name : Dr. (Mrs.) H K BAL
 Age : 73 Years
 Qualification : Ph.D
 Expertise : Having more than 30 years of experience in teaching Management & Administration.

Her directorship/membership in the committees of the board in other companies is as under:

Name of the Company	Committee	Status
1. Nahar Spinning Mills Limited	Shareholders Grievances	Chairperson
	Remuneration	Member
2. Nahar Capital & Financial Services Limited	Remuneration	Member
3. Nahar Industrial Enterprises Limited	Remuneration	Member
	Audit	Member
4. Oswal Woollen Mills Limited	Remuneration	Member
5. Sportking India Limited	Remuneration	Member
	Audit	Member

BY ORDER OF THE BOARD

PLACE : LUDHIANA

ATUL SUD

DATED: 28th July, 2012

(Company Secretary)



DIRECTORS REPORT

To

The Members,

Your directors have pleasure in presenting the **Twenty Fourth ANNUAL REPORT** on the affairs of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

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

PARTICULARS	(Rs. in Lac)	
	CURRENT YEAR	PREVIOUS YEAR
Profit before Finance Cost & Depreciation	4572.23	3033.88
Less: Finance Cost	1817.92	1493.11
Depreciation	1457.74	1248.23
Provision for taxation (Net of Deferred Tax)	596.24	(72.41)
Profit after tax	700.34	364.95
Adjustment of Income Tax earlier years	0.09	8.48
Add: Balance of Surplus Brought Forward	2.03	8.62
Amount available for appropriation	702.46	<u>382.05</u>
APPROPRIATION		
Proposed Dividend	122.94	86.06
Tax on Distributed profits	19.94	13.96
Transfer to		
General Reserve	550.00	280.00
Balance carried to balance sheet	9.58	2.03
	702.46	<u>382.05</u>

OPERATIONAL REVIEW

The members must be aware that the BOPP Films plant started its operations on 20th May, 2010. Thus the year under review is the company's 1st full year of operations. We are pleased to inform you during its 1st full year operations, company achieved an operating income of

Rs.264.82 crores out of which Rs.22.50 crores is export turnover. Thus the Company has made a good beginning in the export markets. On financial front, the company performed reasonably well and earned a profit before interest and depreciation (PBIT) of Rs.45.72 crores during the year under review. After providing Rs.18.18 crores towards finance cost and Rs.14.58 crores towards depreciation, it earned a profit before tax of Rs.12.97 crores. After providing for income tax and deferred tax of Rs.5.96 crores and adjustment of earlier years tax, the company earned a net profit of Rs.7.02 crores. After appropriation of profit as per detail hereinabove an amount of Rs.5.50 crores has been transferred to General Reserve thereby increasing company's reserve to Rs.93.33 crores as on 31st March, 2012.

CHANGE OF COMPANY'S NAME

The National Stock Exchange of India Ltd and The Stock Exchange, Mumbai have approved the change of company's name from Nahar Investments and Holding Ltd to Nahar Poly Films Limited with effect from 15.06.2011. The ISIN of the scrip is INE308A01027. The scrip code of the Company for trading at National Stock Exchange Association Limited (NSE) and The Stock Exchange Limited, Mumbai (BSE) are as under :

For trading at BSE : 523391

For trading at NSE : NAHAR POLY

DIVIDEND

Your directors are pleased to recommend a dividend @ 10% i.e. Rs.0.50 per equity share on paid up equity share capital for the year ended 31st March, 2012.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of profits of the Company for the year under reference to all those shareholders whose name shall appear in the Register of Members on 29th September, 2012 or Register of beneficial owners, maintained by the depositories as at the close of 20th September, 2012.

DIRECTORS

Pursuant to Article 112 of the Articles of Association of the company Sh. Komal Jain, Sh. Dinesh Oswal, Sh. Jawahar Lal Oswal and Dr. (Mrs)H.K.Bal, will be retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Further the tenure of Sh. Satish Kumar Sharma as Executive Director of the company is expiring on 31.07.2012. The board has decided to re-appoint Sh.



Satish Kumar Sharma as Executive Director w.e.f.01.08.2012. The necessary resolution is being proposed for your approval in the ensuing Annual General Meeting.

In terms of clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors to be appointed/re-appointed are contained in the accompanying Notice of the forthcoming Annual General Meeting.

GREEN INITIATIVE

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

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

LISTING OF SECURITIES

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

1. The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
2. The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai.

The company has paid listing fee to both the Stock Exchanges for the financial year 2012-2013.

DEMATERIALISATION OF SHARES.

As the members must be aware that Company's securities are tradable compulsorily in electronic form w.e.f.8th May 2000. Your company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) to facilitate the holding and trading of securities in

electronic form. As on date 92.19% of the Share Capital has been de-materialized by the members of the Company.

Annual custodian fee for the financial year 2012-2013 has also been paid to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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

M/s. Alankit Assignments Ltd.

(Unit : Nahar Poly Films Ltd.)

Alankit House,

2E/21, Jhandelwala Extension

NEW DELHI-110055

Telephone No. : (011)23541234

Fax No. : (011)41540064

E-mail Address : rta@alankit.com

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

The shareholder(s) who have not gone in for dematerialization of shares till date, are requested to opt for dematerialization of the shares at the earliest.

AUDIT COMMITTEE

Pursuant to Section 292A(1) of the Companies Act, 1956, Company constituted Audit Committee consisting of Sh. S.K. Singla as Chairman, Sh. Dinesh Gogna and Dr. O.P. Sahni. as members. The committee held 4 meetings during the year under review.

REPORT ON THE CORPORATE GOVERNANCE

Your Company continues to follow the principles of good Corporate Governance. The Company has already constituted several committees of directors to assist the Board in good Corporate Governance. The Corporate Governance Report along with Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the Listing Agreement of the Stock Exchange, is attached herewith as annexure-II and forms part of this report.

**DIRECTORS RESPONSIBILITY STATEMENT**

The Directors would like to assure the Members that the financial statements for the year under review, confirm in their entirety to the requirements of the Companies Act, 1956.

The Directors confirm:

- i) that in preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanations relating to material departures.
- ii) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii) that they had taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting any fraud and other irregularities.
- iv) that they had prepared the Annual Accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s. Gupta Vigg & Co., the Auditors of the company shall be retiring at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The company has obtained from auditors, a certificate as required under section 224(1-B) of the Companies Act, 1956 to effect that their re-appointment, if made, would be within the limits specified in the said section. The Audit committee has recommended their re-appointment.

The Audit report of the auditors is self explanatory and do not require any explanation from the Board u/s. 217 of the Companies Act, 1956.

PUBLIC DEPOSITS

During the year, company has neither accepted nor intend to accept any Public Deposit within the meaning of Section 58-A, of the Companies Act, 1956 and the rules made there under. There are no outstanding/unclaimed deposits from the public

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to section 205-C of the Companies Act, 1956 the company has transferred an amount of Rs.18,43,385.00 (Rs. Eighteen Lacs Forty Three Thousand Three Hundred Eighty Five) being the amount of unclaimed dividend for the year 2003-2004 to the Investor Education and Protection Fund

PARTICULARS OF EMPLOYEES

None of the employee is in receipt of emoluments in excess of the limits prescribed under the Companies (Particulars of employees) Rules, 1975.

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

Particulars with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules 1988, is enclosed as per Annexure - I and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India is enclosed as per Annexure III and forms part of this Report.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

The board of directors of the company wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution to the operations of the company. The Directors are thankful to the bankers, financial institutions for their continued support to the company. The directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the management of the company.

FOR AND ON BEHALF OF THE BOARD

PLACE : LUDHIANA
DATED : 28th JULY, 2012

JAWAHAR LAL OSWAL
(CHAIRMAN)



ANNEXURE-I

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

I. CONSERVATION OF ENERGY

- a) Measures taken for conservation of energy:
The growth of the industry and its rapid industrialization is putting tremendous pressure on the available energy resources. As such the need of the hour is to conserve energy and maximize output.
Energy conservation is an ongoing process in our organization. The Company has fully implemented the BOPP Films Project in the state of Madhya Pradesh. During the implementation of project of the company has taken following steps:
1. The factory building has been designed to make use of natural lighting for the day time operation which will save energy.
 2. The company has imported state of the art manufacturing facility from Bruckner of Germany. These machines consumes low energy and will save considerably in terms of electricity consumption.
 3. All the drives for main equipments of the plant are direct drives without gear boxes which will reduce the power transmission losses.
- b) Additional investment & proposal for reduction of consumption of energy
The company will take necessary measures as may be required from time to time for conservation of energy.
- c) Impact of measures, consequent to (a) and (b) above
The above measures will result in energy saving and consequent reduction in cost of production.
- d) Total energy consumption and energy consumption per unit of production as per form A of the Annexure in the rules in respect of industries specified in the schedule thereto.

FORM A

	CURRENT YEAR	PREVIOUS YEAR
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units (Kwh)	21064575	13104440
Total amount (Rs.)	100293273	58372953
Rate per Unit (Rs.)	4.76	4.45
b) Own Generation		
Through Diesel Generator		
Units produced (KWH)	NIL	3140776
Total amount (Rs.)	NIL	21987343
Cost per unit (Rs.)	NIL	7.00
(c) Own Generation through turbine		
Units produced (KWH)	Nil	Nil
Total amount (Rs.)	Nil	Nil
Cost per Unit (Rs.)	Nil	Nil

2. Steam Coal Used in Boiler

Quantity (in Tonnes)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Cost per unit (Rs.)	Nil	Nil

3. Furnace Oil (Only Boiler)

Quantity (in liters)	889872	715725
Total cost (Rs.)	33005812	19183160
Rate/P.U. (Ltr.)	37.09	26802

4. Other/Internal Generation

Rice Husk (Qty. in tones)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Rate/Tonne (Rs.)	Nil	Nil

B. CONSUMPTION PER UNIT/KG OF PRODUCTION

1. Electricity per unit/kg	1.11	1.20
2. Furnace Oil per kg of Film	0.05	0.05
3. Coal	Nil	Nil
4. Other	Nil	Nil

II. TECHNOLOGY ABSORPTION

FORM B

A. Research & Development (R & D):

i) Specific areas in which Research and Development carried out by the Company.

The company is in the process of setting up a Research and Development Department which will be focused on productivity, quality and waste reduction.

ii) Benefits derived as a result of above R & D:

The company expect product improvement in quality and quantity.

iii) Future Plans:

The Company shall continuously take steps for innovation and renovation of products including new product developments.

iv) Expenditure on R & D:

a) Capital (Rs.)	Nil
b) Recurring (Rs.)	Nil
c) Total (Rs.)	Nil

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Benefits derived as result of above efforts:

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

Information regarding Technology imported during the last five years : NIL

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (I) Activities relating to Exports, initiative taken to increase exports, Development of New Export Markets for products and export plans.
- The company has made a good beginning in the Export Market and is looking forward to expand the same by providing quality products at competitive rate in order to compete with the International suppliers and maintain a steady growth of export.

Current Year Previous Year

(II) Total Foreign Exchange used and earned :-

a) Foreign Exchange outgo (Rs.)	126885372.00	981466302.00
b) Foreign Exchange earned (Rs.)	218211508.00	55831754.00

FOR AND ON BEHALF OF THE BOARD

**PLACE : LUDHIANA
DATED : 28th JULY, 2012**

**JAWAHAR LAL OSWAL
(Chairman)**



**ANNEXURE - II
CORPORATE GOVERNANCE REPORT**

This report of Corporate Governance form part of the Annual Report.

Company's philosophy on Corporate Governance

Your company continues to practice the principle of good Corporate Governance. It is company's firm belief that good Corporate Governance is key to success of business. The company's philosophy envisage an attainment of highest level of the transparency and accountability in its operations so that company's goal of creation and maximization of wealth of the shareholders could be achieved. Clause 49 of the Listing Agreement with stock exchanges incorporate certain mandatory disclosure requirements with regard to Corporate Governance Rules, we are pleased to report the following:-

I. BOARD OF DIRECTORS

1. The Board of the Company is well structured with adequate blend of professional executive and Independent Directors.
The present strength of the Board is of Twelve Directors. The Board Comprises of Executive and Non executive Directors. Sh. J.L. Oswal is a non Executive Chairman & Sh. Satish Kumar Sharma, is an Executive Director. Thus the post of Chairman and Executive Director are held by different persons.
2. Since Sh. J.L. Oswal is Non Executive Promoter chairman, at least one half of the Board should comprise of Independent directors as per Corporate Governance Rules read with SEBI Circular No. SEBI/CFD/DIL/CG/1/2008/08/04 Dated 08.04.2008. The Company has already restructured its Board to comply the said

requirement. Presently Company's Board consists of 12 (Twelve) Directors out of which 6 are Independent directors, namely Dr. (Mrs.) H.K. Bal, Dr. O.P. Sahni, Prof. K.S. Maini, Dr. S.K. Singla, Dr. Yash Paul Sachdeva and Dr. Amrik Singh Sohi. Thus the company has complied the Corporate Governance Rules regarding composition of Board of Directors.

3. The Board met 4 times on 30.05.2011, 30.07.2011, 14.11.2011, and 14.02.2012 during the period April, 2011 to March, 2012 with clearly defined agenda circulated well in advance of each meeting. The maximum interval between the two board meetings is not more than four months.
4. None of the directors is a member of more than 10 (ten) board level committees or is Chairman of more than 5 (five) such Board level committees as required under clause 49 of the Listing Agreement & none of director is a director in more than fifteen companies as prescribed under the Companies Act, 1956.
5. Non Executive Directors are paid a sitting fee of Rs.5000/- per meeting of the Board.
6. Sh. Jawahar Lal Oswal is the father of Sh. Kamal Oswal and Sh. Dinesh Oswal. Sh. Kamal Oswal and Sh. Dinesh Oswal are brothers. No other director is related to any other Director of the Company within the meaning of Section 6 of the Companies Act, 1956.
7. Participation of Non Executive Directors has been active in the board meetings. Attendance record of directors in the Board meetings and the Annual General Meeting during the year 2011-2012 is as under:

Name of Director	Category of Directors	No. of other Directorship (excluding private company)	No. of Committee membership		No. of Board Meeting attended	AGM Attendance (held on 20.09.2011)	No. of Shares held
			Member	Chairman			
Mr. Jawahar Lal Oswal	Non Executive Promoter	14	--	--	2	No	Nil
Mr. Dinesh Oswal	Non Executive Promoter	14	--	--	4	Yes	105273
Mr. Kamal Oswal	Non Executive Promoter	14	1	1	3	Yes	31500
Mr. Dinesh Gogna	Non Executive	8	5	1	4	Yes	700
Dr. (Mrs.) H.K. Bal	Non Executive Independent	5	8	2	4	Yes	Nil
Mr. S.K. Sharma	Executive Director	2	4	1	4	Yes	Nil
Dr. O. P. Sahni	Non Executive Independent	4	10	2	3	Yes	187
Prof. K.S. Maini	Non Executive Independent	4	3	4	4	Yes	158
Dr. Suresh Kumar Singla	Non Executive Independent	5	3	5	4	Yes	Nil
Dr. Yash Paul Sachdeva	Non Executive Independent	5	1	--	4	Yes	Nil
Sh. Komal Jain	Non Executive	4	2	--	4	Yes	175
Dr. Amrik Singh Sohi	Non Executive Independent	1	--	--	3	Yes	--



8. Code of Conduct: The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly, the company has laid down a code of conduct for all its Board Members and Senior Managerial Personnel and they are complying the said code of conduct. The code of conduct is also available on company's website i.e. www.ownahar.com.
9. All the Statutory Registers that are required to be maintained, particularly, Register of Directors Shareholding, Register of Investments etc. are properly maintained and continuously updated.

II. AUDIT COMMITTEE

The board has already constituted an independent and qualified Audit committee, consisting of three non executive Directors under the chairmanship of Sh. Suresh Kumar Singla, Dr. O.P. Sahni and Sh. Dinesh Gogna are the two other members of the Audit Committee. Dr. S.K. Singla is a retired Prof.-cum-Head of Department of Business Management, Punjab Agricultural University, Ludhiana. He is having 31 years of experience in teaching Finance and Management and at presently he is working as a director in Guru Nanak Auto Institute of Management and Technology. Sh. Dinesh Gogna is also a senior corporate executive having 35 years experience in Corporate Finance, taxation, Financial and Accounting matters. Likewise Dr. O.P. Sahni, who is Ph.D also having requisite expertise in Financial and Accounting matters. Mr. Atul Sud is the secretary of the committee The financial Advisor is a permanent invitee of the company. The statutory auditors and internal auditors are also invited to attend the meetings, as per relevant provisions of the applicable laws/rules, as and when felt necessary.

The terms of reference of the Audit Committee are as per clause-49 of the Listing Agreement with the Stock Exchanges, SEBI Guidelines and Companies Act, 1956. Since 1st April, 2011, the committee met for 4 times i.e. on 30.05.2011, 30.07.2011, 14.11.2011, and 14.02.2012 and in these meetings, the quarterly un-audited financial results as well as the financial statement during the year ended 31st March, 2011 were reviewed and examined by the members of the audit committee before recommendation of the same to the Board of Directors for their perusal and adoption.

The attendance record of the audit committee meeting is as under:

Name of the Member	No. of meetings held Upto 31.03.2012	No. of meetings attended
Sh. S.K. Singla	4	4
Sh. Dinesh Gogna	4	4
Prof. K.S. Maini	4	4

Sh. S.K.Singla, Chairman of the Audit Committee attended the last Annual General Meeting of the company held on 20th September, 2011 and replied/clarified the queries raised at the Annual General Meeting.

III. REMUNERATION COMMITTEE

The remuneration Committee was set up by Board in its meeting held on 31.07.2002 The committee Comprises Sh. S K Singla, as Chairman, Sh. Komal Jain and Dr.(Mrs.) H.K. Bal as members. Dr. A.S. Sohi has been appointed as member of the committee in place of Sh. Komal Jain w.e.f.14.02.2012.

The broad term of reference of the Remuneration Committee is to ensure that the company's remuneration policies in respect of Managing Director/Working Directors, Senior Executives are competitive so as to recruit and retain best talent in the company and to ensure appropriate disclosure of remuneration paid to said persons.

The committee met three times during the year under review, i.e. on 30.05.2011, 30.07.2011 and 14.02.2012. The attendance record of the meeting held is as follows:

Name of the Member	No. of meetings held Upto 31.03.2012	No. of meetings attended
Sh. Komal Jain	3	3
Sh. S.K. Singla	3	2
Dr. (Mrs. H.K. Bal)	3	3

The details of remuneration paid to Executive Director/Director(s) for the year ended 31st March, 2012 is as under:

	Salary (Rs.)	Sitting Fee (Rs.)
Sh. Jawahar Lal Oswal		10,000.00
Sh. Kamal Oswal		15,000.00
Sh. Dinesh Oswal		20,000.00
Sh. Dinesh Gogna		20,000.00
Sh. Satish Kumar Sharma	1426816.00	--
Sh. Komal Jain		20000.00
Dr. (Mrs.) H.K. Bal		20000.00
Dr. O.P. Sahni		15000.00
Prof. K.S, Maini		20000.00
Dr. S.K. Singla		20000.00
Dr. Yash Paul Sachdeva		20000.00
Dr. Amrik Singh Sohi		15000.00

**IV. INVESTORS GRIEVANCES COMMITTEE**

The Company is having Shareholders/ Investors Grievance Committee consisting of three Non Executive Directors under the Chairpersonship of Dr. (Mrs.) H.K. Bal, Sh. O P Sahni and Sh. Komal Jain are two other members of the committee. Sh. Atul Sud, Company Secretary is the Compliance Officer of the company. The committee look into the complaints/grievances of shareholders in this fact of transfer of shares, Non-receipt of dividend/share certificates, Demat problems etc. The committee met 4 times from April, 2011 to March, 2012 i.e. on 30.05.2011, 30.07.2011, 14.11.2011 and 14.02.2012. The attendance record of the meeting held is as under:

Name of the Member	No. of meetings held Upto 31.03.2012	No. of meetings attended
Dr. (Mrs.) H.K. Bal	4	4
Sh. O P Sahni	4	3
Sh. Komal Jain	4	4

The Company has been quick in the redressal of the grievances of the shareholders and has attended to most of the investors correspondence/grievances within a period of 15 to 30 days from the date of receipt of the same. The details regarding the same are as under:

No. of complaints received during the year	: 38
No. of complaints resolved during the year	: 38
No. of complaints pending as on 31.03.2012	: Nil

V. SHARE TRANSFER COMMITTEE

The company has also constituted a share transfer committee comprising 4 members under the Chairmanship of Sh. Dinesh Oswal. The committee is responsible for approving the transfer and transmission of securities, dematerialization of shares, issuance of duplicate share certificates and other shareholders related issues. The committee met 12 times during the period April, 2011 to 31st March, 2012 i.e. on 30.04.2011, 31.05.2011, 30.06.2011, 30.07.2011, 31.08.2011, 20.09.2011, 31.10.2011, 30.11.2011, 31.12.2011, 31.01.2012, 29.02.2012 and 31.03.2012. The attendance of the members is as follows:-

Name of the Member	No. of meetings held Upto 31.03.2012	No. of meetings attended
Sh. Dinesh Oswal	12	12
Sh. Kamal Oswal	12	12
Sh. Dinesh Gogna	12	12
Sh. Komal Jain	12	12

As per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has

appointed M/s. Alankit Assignments Ltd, as Registrar for Share Transfer and Electronic Connectivity. Accordingly all the shareholders, investors, members of Stock Exchanges. Depository Participants and all other concerned are requested to send all communication in respect of share transfer, Demat, Remat, Change of Address etc. to our Registrar, whose address and telephone no etc. have already been mentioned in Director's Report.

VI. GENERAL BODY MEETINGS

(I) The details of the last three Annual General Meetings are as under:-

Financial year	Location	Date	Time
2008-2009	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2009	10.30 A.M.
2009-2010	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2010	10.30 A.M.
2010-2011	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	20.09.2011	10.30 A.M.

(II) **Special Resolutions passed in the previous three Annual General Meetings:**

2008-09

No Special Resolution was passed.

2009-10

1. To increase borrowing limits under section 293(1)(d) of the companies Act, 1956.
2. To authorise the board of Directors to create/ mortgage charge under section 293(1)(a) of the companies Act, 1956.

2010-2011

No Special Resolution was passed.

(III) **Special Resolution passed last year through postal ballot.**

No special resolution was passed.

(IV) **Proposal of Special Resolution through postal ballot.**

Presently, No Special resolution is proposed to be conducted through postal ballot.

VII. DISCLOSURES

I) There have been no materially significant related party transactions that may have potential conflict with the interest of the company at large. Transactions with related party are



disclosed in Note No. 29 of the Notes on Financial Statements.

- II) The company continues to comply with the requirement of Stock Exchange, SEBI or any statutory authority on all matters related to capital market during the last three years. No penalty or strictures have imposed on the company by the said authorities relating to the above.
- III) The company does not have any whistle blower policy as of now but no personnel is being denied any access to the Audit Committee.
- IV) The company complied with not only the mandatory requirements but has also complied with non mandatory requirements in respect of Remuneration committee. The company is yet to comply with the other non mandatory requirements of the Listing Agreement on Corporate Governance.

VIII. MEANS OF COMMUNICATION

The company's quarterly/yearly results in the format prescribed by the Stock Exchanges are approved and taken on record by the Board within the prescribed time frame and sent immediately to all Stock Exchanges on which the company's equity shares are listed. These results are published in leading news papers i.e. Business Standard/Financial Express in English and Punjabi Desh Sewak/Jagran in vernacular. The Company's Quarterly, Half yearly and Annual Results are also displayed on the website of the company i.e. www.owmnaahar.com Whenever any official news is released, the same is also displayed on the aforesaid Website of the company. The Quarterly & Annual Financial Statement, alongwith Balance Sheet, Profit & Loss Account, Directors Report, Auditors Reports, Cash Flow Statements, Corporate Governance Reports, Report On Management Discussions and Analysis and share holding pattern etc. can also be retrieved by investors from the website of Bombay Stock Exchange Ltd. & National Stock Exchange of India Limited. Likewise whenever any presentation about company's working is made to Financial Institution Investors or to the analyst, the same is displayed on company's Website.

IX. GENERAL SHAREHOLDERS INFORMATION

- 1. **Annual General Meeting** : September 29, 2012
Date, Day, Time & venue : Saturday at 10.45 A.M.
Premises of Nahar Industrial Enterprises

Limited, Focal Point, Ludhiana.

- 2. **Financial Calendar** : The Financial year of the company covers 1st April to 31st March.
- 3. **Date of Book Closure** : 21st September, 2012 to 29th September, 2012 (both days inclusive)

4. Dividend Payment

- a) **Payment Date** : Before 21st October, 2012

- b) **Mode of payment of Dividend**: The company provide of dividend the facility of paying dividend through Electronic clearing system (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details along with 9 digit MICR code of their bank, is noted in the records of the Depository Participant (DP). Members who hold shares in physical form, should contact the R & T Agent or the company in this regard.

In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details, to their depository participant in case of electronic holding and to the R & T Agent or the company in case of physical holding.

c) Unclaimed/ Unpaid Dividend:

All unclaimed/unpaid dividend up to the financial year ended March 31, 2004 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205 C of the Companies Act, 1956.

Further the dividend for the financial year ended 31st March, 2005 will be transferred to the said Fund in November, 2012. All the members who have not en-cashed their dividend warrants for the aforesaid year may approach the company for obtaining duplicate dividend warrants/ revalidation of dividend warrants.

- 5. **Listing of Equity Shares** : The National Stock Exchange of India Ltd (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai The Bombay Stock Exchange Limited (BSE), 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.

The listing fees payable to BSE and NSE for 2012-2013 have been paid in full by the company.



6. Stock Code :

For trading at NSE-NAHAR POLY
For trading at BSE-523391

7. For Demat ISIN Number INE308A01027

The Annual Custodian Fees for the Financial Years 2012-13 have been paid to National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8. Compliance Officer

Mr. Atul Sud, Company Secretary is the Compliance Officer of the Company.

9. Registration/updation of e-mail address

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

10. Dedicated e-mail for Investor Grievance

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

X. MARKET PRICE DATA

The month wise High, Low stock prices during the financial year 2011-2012 are as follows:-

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2011	39.50	31.50	38.00	30.50
May, 2011	34.10	29.45	36.00	29.05
June, 2011	31.90	26.70	32.00	25.90
July, 2011	30.60	26.70	32.75	26.45
August, 2011	28.80	21.00	30.00	20.30
September, 2011	26.20	22.00	26.90	22.00
October, 2011	23.85	20.55	25.80	21.00
November, 2011	23.35	20.15	24.95	20.00
December, 2011	22.40	18.00	22.45	16.00
January, 2012	24.05	18.70	24.50	19.25
February, 2012	28.90	21.10	28.80	21.50
March, 2012	26.80	20.45	25.50	20.15

Source: Data has been taken from the Website of the Bombay Stock Exchange and National Stock Exchange of India Ltd. The company does not have any other sources for verification of data.

XI. PERFORMANCE IN COMPARISON TO BSE SENSEX:-

Comparison between Nahar Poly Films Limited closing price variation and BSE Sensex variation in percentage is as under.

Financial Year	Share Prices of the Company				BSE Sensex			
	Highest (Rs.)	Lowest (Rs)	Closing (Rs)	%age change over last month's closing	Highest	Lowest	Closing	%age change over last month's closing
2011-12								
April, 2011	39.50	31.50	32.90	3.46	19811.14	18976.19	19135.96	(1.59)
May, 2011	34.10	29.45	30.70	(6.69)	19253.87	17786.13	18503.28	(3.31)
June, 2011	31.90	26.70	27.80	(9.45)	18873.39	17314.38	18845.87	1.85
July, 2011	30.60	26.70	27.60	(0.72)	19131.70	18131.86	18197.20	(3.44)
August, 2011	28.80	21.00	23.15	(16.12)	18440.07	15765.53	16676.75	(8.36)
Sept, 2011	26.20	22.00	22.60	(2.38)	17211.80	15801.01	16453.76	(1.34)
Oct, 2011	23.85	20.55	22.30	(1.32)	17908.13	15745.43	17705.01	7.60
Nov, 2011	23.35	20.15	21.60	(3.10)	17702.26	15478.69	16123.46	(8.93)
Dec, 2011	22.40	18.00	19.35	(10.42)	17003.71	15135.86	15454.92	(4.15)
January, 2012	24.05	18.70	23.40	20.93	17258.97	15358.02	17193.55	11.25
February, 2012	28.90	21.10	23.90	2.14	18523.78	17061.55	17852.68	3.25
March, 2012	26.80	20.45	23.00	(3.77)	18040.69	16920.61	17404.20	(1.96)

Source: Data has been taken from the Website of the Bombay Stock Exchange Ltd. The company does not have any other sources for verification.

XII. Registrar and Transfer agents

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

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

XIII. Share Transfer System

The company has constituted share transfer committee consisting of four members, namely Sh. Dinesh Oswal, Sh. Kamal Oswal, Sh. Dinesh Gogna and Sh. Komal Jain, Directors of the Company. The share transfer committee meets once/twice in a month to approve the transfer/transmission/transposition, issue of duplicate share certificates and duly transferred shares are generally despatched within the prescribed period under the Companies Act,



1956/Guidelines of the Stock Exchanges.

As required under clause 47 (C) of the Listing Agreements entered into by the Company with the Stock Exchanges, a certificate is obtained every six month from a Practising Company Secretary with regard to inter alia, effecting transfer, transmission sub-division, consolidation, renewal & Exchange of equity shares with in one month of their lodgement. The Certificates are forwarded to BSE & NSE where the equity share are listed.

XIV. Nomination facility

Individual shareholders holding physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his/her name. For further details, shareholders may write to the RTA of the Company.

XV. Distribution of Shareholding as on March 31, 2012

As on March 31, 2012 your Company had 28268 shareholders having a total of 24587991 equity shares. The following is the distribution of Shareholding.

No. of shares held	No. of Share holders	% of Share holders	Aggregate shares held	% age of share holding
1-500	25710	90.95	3603449	14.65
501-1000	1766	6.25	1140845	4.64
1001-2000	424	1.50	602874	2.45
2001-3000	134	0.47	334565	1.36
3001-4000	57	0.20	202594	0.82
4001-5000	36	0.13	166248	0.68
5001-10000	72	0.25	520180	2.12
10000 and above	69	0.25	18017236	73.28
TOTAL	28268	100	24587991	100.00

XVI. The Shareholding pattern as on March 31, 2012 as follows:

Shares held by	No. of Shares	% of Share holding
Banks and Mutual Funds	3450	0.01
Foreign holdings (FIIs, NRIs)	81697	0.33
Bodies Corporate	563952	2.29
Directors/Relatives of Directors	4226	0.02
General Public	7196250	29.27
Promoters	16738416	68.08
TOTAL	24587991	100.00

XVII. Dematerialisation of Shares.

The Securities and Exchange Board of India (SEBI) has included company's scrip in compulsory demat settlement for all type of investors. Thus the dealing in company's equity shares can be in demat form

only. To facilitate holding and trading of securities in electronic form, your company has established connectivity with both the Depositories i.e National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The investors have an option to dematerialise their equity shares with either of the Depositories. As on date 92.19% of the total equity capital of the company have been dematerialised.

XVIII. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The company does not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments which is likely to have any impact on the equity of the company.

- XIX. PLANT LOCATION** : VILLAGE SARA KIAN/ ITAYAKALAN
DISTT. RAISEN (M.P.)
- XX. Address for Correspondence** : NAHAR TOWER
376, Industrial Area-A,
Ludhiana - 141 003 (Pb.)
- Phone No. : 0161-2600701 to 2600705
Fax No. : 0161-2661180, 2222942
E-mail address : secnel@owmnaahar.com
Website : www.owmnaahar.com

XXI. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by the Finance Advisor was placed at the meeting of Board of Directors held on 30th May, 2012.

XXII. RECONCILIATION OF SHARE CAPITAL AUDIT

The Securities and Exchange Board of India has directed vide Circular No.D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total share held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid-up capital.

The said certificate duly certified by a Practising Company Secretary is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of the each quarter.

FOR AND ON BEHALF OF THE BOARD

PLACE : LUDHIANA JAWAHAR LAL OSWAL
DATED: 28th JULY, 2012 (Chairman)

**MANAGEMENT DISCUSSION AND ANALYSIS****ANNEXURE-III****Industry Structure and Developments**

The BOPP films of flexible packaging industry, has emerged as one of the most popular, high growth films in the world. Lower costs and convenience has added to the growth of BOPP films in the flexible packaging. The BOPP Films industry which has started as replacement for cellophance because of its better moisture barrier properties, has created its own identity in flexible packaging market. Because of its properties, BOPP Films are more suitable for packaging of food products like snack food, biscuits, pasta and meat etc. Over the past few years, the growing preference for sophisticated and hygienically packaging, has been driving the growth for BOPP Films both in developed and emerging markets. In India the demand for BOPP Films has grown from 227 tons in 1978 to 3.50 lacs tons in 2012. The industry has been growing rapidly due to strong economic growth and rising middle class looking for more sophisticated packed food and consumer goods.

Having regard to the immense opportunities for BOPP Films, your company put up a BOPP project with a capacity of 30000 TPA in the state of Madhya Pradesh. The Plant is equipped with state of the art manufacturing facilities imported from Bruckner of Germany. The plant has started its operation on 20th May, 2010, The products of the company have been well received in the markets.

Opportunities and Threats

The growing sale of Packed Foods coupled with rapid growth in the Retail Markets, has enabled the flexible packaging industry to register a growth rate around 15 to 18 percent per annum. Your management expects that with the recovery in economies of the world, there will be continued strong demand for the BOPP Films which in turn will provide opportunities to the BOPP Films industry to grow at a much faster rate.

Moreover, lot of new application of BOPP Films, apart from conventional Tape/Textile and food packaging market, are emerging which will further improve the prospects of the industry.

Beside, the pricing advantage of BOPP Films over lower micron polyester films, will drive the market to shift from polyester films to BOPP Films. The large converters have already started working in this direction. This will give further impetus to growth of flexible packaging and will translate into new business opportunities for the industry.

In India through flexible packaging segment is growing but the per capita consumption is still very low as compared to the developed countries like US and

European Union. The growth of the organized retail market coupled with entry of global retail players will give further boost to the flexible packaging industry.

Though the BOPP Films industry continued to witness growth on account of favorable demographic and market factors but it is not immune from normal business threats and challenges. The industry continues to be plagued by the problems of over capacity, short term over supply as well as raw material prices. In spite of the above, your management assure you that continuous efforts will be made to meet the challenges ahead and make the BOPP Films project a successful venture.

Segment wise or product wise performance

The disclosure requirements of Accounting Standard 17, issued by the Institute of Chartered Accountants of India are not applicable as the main business activities of the company falls under single segment.

Future Outlook

The future outlook of the BOPP Films industry seems to be reasonably good as the growth driver of the yester years are still present in the Asian markets especially India and China. This will give a further push to the demand for the BOPP Films. The phenomenal growth of retail segment coupled with economic growth of the country are also expected to influence of flexible packaging industry favorably. Your company is looking at the future with optimism and shall be expanding its business activities into the new areas, in due course of time so that it can make use of available opportunities and emerge as fully integrated flexible packaging company.

Risk and Concerns

The company's main source of income will be from selling of flexible packaging material in plain and metalized form to further converters. Any adverse impact on the operations of the packaging converters may impact the company's revenues and its profitability. Likewise the business economic cycle can also affect the fortune of the company in both ways.

Besides the major component of cost involved in the making of flexible packaging is raw material. Any increase in the raw material prices and decrease in finished product prices may affect the financial performance of the company.

Internal Control Systems and their adequacy

The company has adequate internal control systems and procedures which commensurate with the nature of its business and the size of its operations. The internal control system are adequate to ensure that all assets and resources of the company are safeguarded and



protected against loss from unauthorized use or disposition and all transactions are authorised, recorded and reported correctly. The company also ensures compliance with all statutes and regulatory policies and guidelines.

Further the company is also having internal audit department which carries out audit work throughout the year. The main objective of such audit is to test the adequacy and effectiveness of internal control systems laid down by the Management and to suggest improvement in the systems.

Besides, an audit committee consisting of three non executive directors has been constituted. All the significant audit observation and follow up action thereon are taken care of by the audit committee. The audit committee met four times during the financial year under review.

Financial/operation performance

During the year company has performed reasonably well during the year under review. The company achieved an operative income of Rs.264.82 crores out of which Rs.22.50 crores is export turnover. The company earned a net profit of Rs.7 crores as against Rs.3.65 crores in the previous year. The detailed

performance has already been discussed in the Directors report under column operational review.

Human Resources/Industrial Relations

Beyond Balance Sheet lies company's singly biggest Asset Human Resources. The company is of firm belief that the Human Resources are the driving force that propels a company towards progress and success. The company has a team of able and experienced professionals to look after the affairs of the company. The company offers attractive compensation package to retain and motivate its professionals so that they can give their best. The total permanent employees strength of the company was 189 as on 31st March, 2012.

Cautionary Statement

Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report.

FOR AND ON BEHALF OF THE BOARD**PLACE : LUDHIANA****JAWAHAR LAL OSWAL****DATED: 28TH JULY, 2012****(CHAIRMAN)****EXECUTIVE DIRECTOR'S DECLARATION**

Pursuant to the requirement of Clause 49 of the listing agreement, I hereby confirm that all Board Members and Senior Management personnel (as defined in the abovesaid Clause 49) of the company have affirmed compliance with Code of Conduct for Board & Senior Management Personnel' for the year ended 31st March, 2012.

PLACE : LUDHIANA**DATED: 28th July, 2012****S.K. SHARMA****(Executive Director)****CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members
Nahar Poly Films Limited

We have examined the compliance of conditions of Corporate Governance by Nahar Poly Films Limited for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor Grievance received during the year ended 31st March, 2012 is un-attended/pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors' Grievance Committee.

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

For Gupta Vigg & Co.,

Chartered Accountants

(F. Reg. No. 001393N)

PLACE : LUDHIANA**DATED: 28th July, 2012****VIPAN KUMAR GUPTA****(Partner)****M.No. 502737**



AUDITORS' REPORT

THE MEMBERS OF
M/s. NAHAR POLY FILMS LIMITED
LUDHIANA

We have audited the attached Balance Sheet of **M/s Nahar Poly Films Limited**, Ludhiana (the Company) as at 31st March, 2012 and also statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'order'), issued by the Central Government of India in terms of Section 227(4A) of the Act, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the company.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii) The Balance Sheet, statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, statement of Profit & Loss and Cash Flow statement dealt with by this report comply with the mandatory accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
- v) On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (i) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts

read together with the Accounting Policies & Notes on Accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- b) In the case of the statement of Profit & Loss, of the profit/loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, the Cash Flow of the Company for the year ended on that date.

For GUPTA VIGG & CO.
Chartered Accountants
FRN 001393N

Place : Ludhiana
Dated : 30.05.2012

VIPAN KR GUPTA
(Partner)
M.No.:502737

ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph (3) thereof)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the management during the year. In our opinion the frequency of physical verification is reasonable and no material discrepancy were noticed on such verification.
- c) No substantial part of fixed assets has been disposed off during the year.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the Management, are reasonable and adequate in relation to the size of the company and its nature of business.
- c) On the bases of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, no discrepancies were noticed on verification between physical stock and the book records.
- iii) According to the explanation and information given to us, the company has neither granted nor taken any loan from the parties covered in the Register maintained under section 301 of the Companies Act, 1956. Hence, clause 4(iii)(a) to (g) of the Companies (Audit Report) order, 2003 are not applicable in case of the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory



and fixed assets. The provisions regarding sale of goods and services are not applicable to the Company. During the course of our audit, we have not observed any major weaknesses in internal control.

- v) a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the register maintained under section 301 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from Public. Hence, the clause 4(vi) of the order is not applicable to the company.
- vii) In our opinion, the company has internal audit system commensurate with its size and nature of its business.
- viii) To the best of our knowledge and according to information given to us, the company is no longer covered under the provisions of Section 201(1)(d) of the Companies Act, 1956. Therefore, the provisions of clause 4(viii) of the order are not applicable to the Company.
- ix) a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax and other material statutory dues applicable to the company, if any, have been regularly deposited with appropriate authorities.
- According to the information and explanations given to us, undisputed amounts payable in respect of above dues were not in arrears, as at 31st March, 2012 for a period of more than six months from the date they become payable.
- b) According to the information and explanations given to us, there is no dues sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any disputes with the appropriate authorities.
- x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans taken from banks and financial institutions.
- xii) In our opinion and according to the information and

explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.

- xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditors Report) Order, 2003 are not applicable to the company.
- xiv) In respect of dealing in investments and shares, in our opinion and according to the information and explanations given to us, proper records have been maintained of the investments and timely entries have been made therein. The shares and other investments have been held by the company in its own name.
- xv) As per the information and explanations given to us, we are of the opinion that the terms and conditions at which guarantees have been given by the company for loans taken from financial institutions and/or banks by others, are not prejudicial to the interest of the company.
- xvi) Based on the information & explanations given to us by the management, we are of the opinion that the loans taken were applied for the purpose they are obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there no funds raised on short-term basis that have been used for long-term investment.
- xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Hence clause 4(xviii) of the order is not applicable.
- xix) The company has not issued debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx) The company has not raised money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For GUPTA VIGG & CO.
Chartered Accountants
FRN 001393N

Place : Ludhiana
Dated : 30.05.2012

VIPAN KR GUPTA
(Partner)
M.No.:502737



BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	Current Year	Previous Year
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	125776643	125776643
Reserves and surplus	2	1382061387	1326306905
		1507838030	1452083548
Non-current liabilities			
Long-term borrowings	3	957282300	1131338200
Deferred Tax Liabilities (Net)	4	29757882	-
		987040182	1131338200
Current liabilities			
Short-term borrowings	5	79343833	128113075
Trade payables	6	21587223	44927951
Other current liabilities	7	222059069	228190116
Short-term provisions	8	16413389	10001872
		339403514	411233014
TOTAL		2834281726	2994654762
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	1366731303	1485888626
Intangible assets	9	249587	332783
Capital work-in-progress	9	1693011	25392997
Non-Current Investments	10	951421669	951421669
Deferred tax assets (net)	4	-	8740753
Long-Term Loans and Advances	11	426511	211888
		2320522081	2471988716
Current assets			
Inventories	12	84654700	147497436
Trade receivables	13	235537843	162876995
Cash and cash equivalents	14	12580595	10221856
Short-term loans and advances	15	172233435	192899502
Other current assets	16	8753072	9170257
		513759645	522666046
TOTAL		2834281726	2994654762
Accounting Policies			
Notes on Financial Statements	1-31		

As per our Report of even date annexed
For GUPTA VIGG & COMPANY
Chartered Accountants
FRN 001393N

For & On behalf of the Board

Place : LUDHIANA
Date : 30.05.2012

VIPAN KR GUPTA
Partner
M.No.502737

P.K. VASHISHTH
Finance Advisor

DINESH OSWAL
Director

S.K. SHARMA
Executive Director



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31ST MARCH, 2012

Particulars	Note No.	Current Year	Previous Year
		₹	₹
Revenue from operations	17	2680364635	1665381009
Less: Excise Duty		-222883165	-143361690
Operating Income		2457481470	1522019319
Other income	18	26671810	46228506
Total Revenue		2484153280	1568247825
Expenses:			
Cost of materials consumed	19	1574830293	1055575134
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	20426847	-61257060
Employee benefits expense	21	45050859	35715143
Finance costs	22	181792273	149311226
Depreciation and amortization expense	9	145773596	124823023
Other expenses	23	386622238	234826260
Total expenses		2354496106	1538993726
Profit before exceptional and extraordinary items and tax		129657174	29254099
Exceptional items		-	-
Profit before extraordinary items and tax		129657174	29254099
Extraordinary Items		-	-
Profit before tax		129657174	29254099
Tax expense:			
Current tax		-21125000	-1500000
Deferred tax		-38498635	8740753
Profit (Loss) for the period		70033539	36494852
Earnings per equity share:	27		
Basic and Diluted		2.85	1.48
Accounting Policies			
Notes on Financial Statements	1-31		

As per our Report of even date annexed
For **GUPTA VIGG & COMPANY**
Chartered Accountants
FRN 001393N

For & On behalf of the Board

Place : LUDHIANA
Date : 30.05.2012

VIPAN KR GUPTA
Partner
M.No.502737

P.K. VASHISHTH
Finance Advisor

DINESH OSWAL
Director

S.K. SHARMA
Executive Director

**ACCOUNTING POLICIES****i) ACCOUNTING CONVENTION**

The accounts are prepared on accrual basis under the historical cost convention in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

ii) REVENUE RECOGNITION

a) Sale of Goods: Sale of goods is recognized at the point of dispatch of finished goods to the customers. Sales value is inclusive of excise duty wherever applicable paid on the clearance of finished goods.

b) Exports Benefits: Revenue in respect of exports benefits being DEPB / Duty Drawback Scheme is recognized on post export bases.

c) Dividend Income: Dividend income is recognized when the Company's right to receive payment is established.

d) Investment Income: Profit/loss arising on sale of investments is considered at the time of sale/redemption.

e) Interest Income: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) FIXED ASSETS AND DEPRECIATION

Tangible assets: - Tangible assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Depreciation is charged on Straight Line bases as per the rates specified in Schedule – XIV of the Companies Act, 1956. Assets below Rs. 5000/- are depreciated at rate of 100%.

Intangible Assets: - Intangible assets are stated at cost less accumulated amount of amortization. Such asset are amortized on Straight Line Bases on the estimated useful life.

iv) INVESTMENTS

Long term investments are stated at cost. Diminution in value of investments, if any has not been considered being temporary in nature. Market value of Equity Mutual Funds is considered on NAV basis.

v) INVENTORIES

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

- Raw Material: Moving weighted average cost.
- Stores and Spares: Moving weighted average cost.
- Work-in-process: Cost of raw material plus appropriate share of manufacturing expenses and other relevant overheads.
- 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.
- Wastage and rejections: At net realizable value.

vi) EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD

All the indirect expenses incurred during construction period upto the date of commencement of commercial production will be capitalized on various categories of fixed assets on proportionate bases.

vii) RETIREMENT BENEFITS**a) Gratuity**

The Company has taken a Group Gratuity Policy from LIC of India to discharge its liability of Gratuity. The calculation of premium under the policy is made on the basis of actuarial valuation done by LIC.

b) Provident Fund

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 Profit and Loss account.

**viii) FOREIGN EXCHANGE TRANSACTIONS**

Gain or loss on foreign exchange transactions which are relating to fixed assets acquired from a country outside India are adjusted in the cost of relevant fixed asset. Other gains or losses on foreign exchange transactions are recognized in the Profit & Loss Account. Monetary assets and liabilities other than those covered by forward contracts have been valued at the exchange rates prevailing at the close of the financial year.

In respect of forward contracts, forward premium or discount arising at the inception of forward contract, any profit/loss arising on cancellation/renewal of such contracts and exchange difference on such contracts if pertaining to fixed assets acquired from a country outside India only are adjusted in the cost of relevant fixed asset. Other premiums/discounts at inception of contracts and profit/loss on cancellation/renewal of contracts are recognized in profit & loss account in the year in which exchange rates change.

ix) EXCISE DUTY

Excise duty payable on finished goods, if any, is accounted for on clearance of goods from the factory. Cenvat in respect of excise duty paid on raw material, stores and capital goods is taken, if any, in accordance with the Cenvat Credit Rules 2004 as amended.

x) WARRANTY CLAIMS

As per the nature of business of the company, the question of warranty claims does not arise. The routine claims on account of quality or quantity logged with the company other than those which are disputed one, are accounted for as and when accepted by the company.

xi) ACCOUNTING FOR TAXES ON INCOME

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period. Deferred Tax is the tax effect of timing differences.

xii) IMPAIRMENT OF ASSETS

At each Balance Sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts.

xiii) BORROWING COST

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as cost of relevant fixed asset. Other borrowing costs are recognized as an expense in the period in which they are incurred

xiv) GOVERNMENT GRANTS / SUBSIDY

Government grants/subsidies are recognized, when there is a reasonable assurance that the company will comply with the conditions attached to them and the grants/subsidy will be received. The government grants/subsidy received for specific asset is reduce from the cost of asset

xv) PROVISION AND CONTINGENT LIABILITIES

a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if :

- the company has a present obligation as a result of past event
- a probable outflow of resources embodying economic benefits is expected to settle the obligation and
- the amount of the obligation can be reliably estimated.

b) Contingent Liability is disclosed in case of :

- a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- a possible obligation, unless the probability of outflow in settlement is remote.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

The previous year figures have been regrouped/ reclassified, wherever necessary to confirm the current year presentation.

1.1 SHARE CAPITAL

Particulars	Current Year		Previous Year	
	Number	₹	Number	₹
AUTHORISED				
Equity Shares of ₹ 5/- each	90000000	450000000	90000000	450000000
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 5/- each	24587991	122939955	24587991	122939955
Share Forfeited Account		2836688		2,836688
Total	24587991	125776643	24587991	125776643

1.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	24587991	122939955
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	24587991	122939955

1.3 The company is not having any holding as well as subsidiary company.**1.4 Name of Shareholders holding more than 5% shares of the company.**

Name of Shareholder	Current Year		Previous Year	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s Nahar Capital & Financial Services Limited	12087671	49.16	12087671	49.16
M/s Nahar Industrial Enterprises Limited	1264720	5.14	1264720	5.14

- 1.5 a) The company has not issued any shares in pursuance to contract(s) without payment being received in cash during five year immediately preceding the date as at which the Balance Sheet is prepared.
- b) The company has not issued any fully paid up Bonus Shares during five year immediately preceding the date as at which the Balance Sheet is prepared.
- c) The company has not bought back any Shares during five year immediately preceding the date as at which the Balance Sheet is prepared.

1.6 Aggregate value of calls unpaid

Unpaid Calls	₹
By Directors	NIL
By Officers	NIL

1.7 Shares Forfeited

Number of shares	349336
Amount	2836688

The above shares are forfeited in financial year 2006-07 upon non payment of calls.

**2. Reserves & Surplus**

Particulars	Current Year	Previous Year
	₹	₹
Securities Premium Account	447800146	447800146
General Reserve		
Opening Balance	878303390	850303390
(+) Current Year Transfer	55000000	28000000
Closing Balance	933303390	878303390
Surplus		
Opening Balance	203369	862448
Add: Profit for the year	70033539	36494852
Less: Provision for Proposed Dividend	(12293996)	(8605797)
Less: Provision for Tax on Proposed Dividend	(1994393)	(1396075)
Add: Income Tax Adjustments for prior periods	9332	847941
Less: Transfer to General Reserve	(55000000)	(28000000)
Closing Balance	957851	203369
Total	1382061387	1326306905

3. Long Term Borrowings

Particulars	Current Year	Previous Year
	₹	₹
Term loans		
From banks*		
- Oriental Bank of Commerce	632609000	747629000
- Bank of Maharashtra	324673300	383709200
From others	-	-
Total	957282300	1131338 200

*The Term loan is secured by way of first charge (on pari passu basis) on factory land and building and hypothecation of Plant and Machinery and other movable / immovable fixed assets acquired / to be acquired under the project of BOPP plant at Mandideep, Bhopal. It is further secured by Second pari pasu charge on current assets of the company. The Term Loan is personally guaranteed by a Director of the Company and corporate guarantee of Rs. 25.00 crores (Oriental Bank of Commerce) and Rs.15.00 Crores (To Bank of Maharashtra) given by M/s. Nahar Spinning Mills Ltd.

The above term loans are repayable in installments as per terms of respective agreement over a period of 8-10 years after moratorium period of 2-3 years.

4. Deferred Tax Liability (Net)

Particulars	Current Year	Previous Year
	₹	₹
Deferred Tax Liability		
Timing difference on account of Depreciation, change in rate of Tax etc.	126614011	122855284
Deferred Tax Asset		
Timing Difference on account of c/f of unabsorbed depreciation	96402742	131017832
Timing Difference on account of Allowances under section 43B	453,387	578,205
Net deferred Tax Liability (Asset)	29757882	(8740753)

**5. Short Term Borrowings**

Particulars	Current Year	Previous Year
	₹	₹
Working Capital Loans from banks	79343833	126613075
Loans from related parties	-	1500000
Total	79343833	128,113,075

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

6. Trade Payables

Particulars	Current Year	Previous Year
	₹	₹
Sundry Creditors	21587223	44927951
Total	21587223	44927951

There are no Micro & Small enterprises covered under Micro, Small and Medium Scale Development Act 2006, to whom the company owes dues, which are outstanding for more than 45 days, hence no disclosure has been given. This information has been determined to the extent such parties, which have been identified by the company.

7. Other Current Liabilities

Particulars	Current Year	Previous Year
	₹	₹
Current maturities of long-term debt	174056000	174056000
TDS Payables	501431	1042251
Statutory Liabilities	999979	1734163
Other Liabilities	29932551	23585583
Advance from customers	9765717	18785121
Security Deposits	23957	129104
Due to Directors	35476	111300
Unpaid dividends	6743958	8746594
Total	222059069	228190116

8. Short-term provisions

Particulars	Current Year	Previous Year
	₹	₹
Provisions for Current Year Income Tax (Net of Advance)	2125000	-
Proposed Dividend	12293996	8605797
Dividend Distribution Tax	1994393	1396075
Total	16413389	10001872


9. Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.11	Additions 2011-12	Sales/ Adj	As on 31.03.12	As on 01.04.11	Additions 2011-12	Sales/ Adj	As on 31.03.12	As on 31.03.12	As on 31.03.11
a Tangible Assets										
LAND & BUILDING										
- LAND	17653165	0		17653165	0	0	0	17653165	17653165	
- BUILDING	199692716	26465815		226158531	5774349	7068921	0	12843270	213315261	193918367
SUB TOTAL (A)	217345881	26465815	0	243811696	5774349	7068921	0	12843270	230968426	211571532
PLANT & MACHINERY										
- MACHINERY	1385573330	0	2049670	1383523660	118243225	137582230	183484	255641971	1127881689	1267330105
- VEHICLES	3788183	0	0	3788183	235822	359877	0	595699	3192484	3552361
- OFFICE EQUIPMENTS	3432734	1581076	48450	4965360	519584	552595	9820	1062360	3903000	2913150
SUB TOTAL (B)	1392794247	1581076	2098120	1392277203	118998631	138494702	193304	257300029	1134977173	1273795616
FURNITURE & FIXTURES										
- Furniture & Fixtures	830160	391001	0	1221161	308682	126776	0	435457	785704	521479
SUB TOTAL (C)	830160	391001	0	1221161	308682	126776	0	435457	785704	521479
Total (Tangible Assets)	1610970288	28437892	2098120	1637310059	125081662	145690399	193304	270578756	1366731303	1485888626
b Intangible Assets										
- Software	415980	0	0	415980	83197	83197	0	166394	249587	332783
Total (Intangible Assets)	415980	0	0	415980	83197	83197	0	166394	249587	332783
c Capital WIP										
- Building Under Construction									1568961	25392997
- Machinery under Installation									124050	0
Total (CWIP)									1693011	25392997
Total	1611386268	28437892	2098120	1637726039	125164859	145773596	193304	270745150	1368673901	1511614407
Previous Year	20382683	1591368018	364432	1611386268	251640	124921014	7795	125164859	1511614407	1490149556

- There are no intangible assets under development as on 31.03.2011 as well as on 31.03.2012.
- At each Balance Sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts.
- In respect of new unit, the expenditure incurred during construction period up to the date of commencement of commercial production is allocated to the relevant fixed assets.
- All the indirect expenses incurred during construction period upto the date of commencement of commercial production will be capitalized on various categories of fixed assets on proportionate bases.
- Borrowing cost amounting to Rs. Nil (Previous year Rs. 14593713 Lacs) has been capitalized during the year.

10. Non Current Investments

Particulars	Current Year	Previous Year
	₹	₹
Other Investments		
Investment in Equity instruments	951421669	951421669
Total	951421669	951421669

10.1

Particulars	Current Year	Previous Year
	₹	₹
Aggregate amount of quoted investments (Market value of ₹ 702412869 (Previous Year ₹ 1274772993/-)	950458941	950458941
Aggregate amount of unquoted investments (Previous Year ₹ 962728)	962728	962728


10.2 Details of Other Investments

Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Entity / Others	No. of Shares/ Units		Quoted / Un-quoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost	If Answer to Column (9) is 'No' - Basis of Valuation
		C. Year	P. Year			C. Year	P. Year	C. Year	P. Year		
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Investment in Equity Instruments											
M/s. Nahar Capital & Financial Services Limited	Associate	6611332	6611332	Quoted	Fully paid	39.480%	39.480%	367304055	367304055	Yes	N.A.
M/s. IDFC Limited	Others	25000	25000	Quoted	Fully paid	0.002%	0.002%	850000	850000	Yes	N.A.
M/s. Nahar Spinning Mills Limited	Associate	6611332	6611332	Quoted	Fully paid	18.332%	18.332%	367304055	367304055	Yes	N.A.
M/s. Nahar Industrial Enterprises Limited	Associate	2708800	2708800	Quoted	Fully paid	6.706%	6.706%	215000830	215000830	Yes	N.A.
M/s. Palm Motels Limited	Others	655	655	Unquoted	Fully paid	-	-	962729	962729	Yes	N.A.
Total								951421669	951421669		

11. Long Term Loans & Advance

Particulars	Current Year	Previous Year
	₹	₹
Capital Advances	383111	171888
Security Deposits	43400	40000
Total	426511	211888

12. Inventories

Particulars	Current Year	Previous Year
	₹	₹
a. Raw Materials and components	27626238	73857824
b. Work-in-progress	31815623	49043340
c. Finished goods	6902605	8521380
d. Waste/Scrap Material	2111985	3692340
e. Stores and spares	16198249	12382552
Total	84654700	147497436

13. Trade Receivables

Particulars	Current Year	Previous Year
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
- Secured, considered good	-	-
- Unsecured, considered good	232412198	161890122
- Unsecured, considered doubtful	-	-
	<u>232412198</u>	<u>161890122</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Secured, considered good	-	-
- Unsecured, considered good	3125645	986873
- Unsecured, considered doubtful	-	-
	<u>3125645</u>	<u>986873</u>
Total	235537843	162876995

No Trade Receivable stated above include debts due by Directors, Other officers of the company, firms in which director is a partner or private company in which director is a member. (Previous year same)

**14. Cash and cash equivalents**

Particulars	Current Year	Previous Year
	₹	₹
a. Balances with banks		
This includes:		
- In Current Accounts	5284923	1115852
- Earmarked Balances (eg/- unpaid dividend accounts)	6743957	8744938
- Margin money FDR#	136120	125000
b. Cash in hand	415595	236066
Total	12580595	10221856

Fixed deposits with banks includes deposits of 1.36 Lacs (Previous year 1.25 Lacs) with maturity of more than 12 Months)

15. Short-term loans and advances

Particulars	Current Year	Previous Year
	₹	₹
a. Loans and advances to related parties (refer note)		
Secured, considered good	-	-
Unsecured, considered good	281107	-
Doubtful	-	-
	<u>281107</u>	<u>-</u>
b. Others		
Secured, considered good	-	-
Unsecured, considered good		
Modvat / Cenvat Credit Unutilised	108804652	163450743
Others	63147676	29448759
	<u>171952328</u>	<u>192899502</u>
Total	172233435	192899502

No Short-term loans and advances stated above include debts due by Directors, Other officers of the company, firms in which director is a partner or private company in which director is a member. (Previous year same)

16. Other Current Assets

Particulars	Current Year	Previous Year
	₹	₹
Advance Taxes (Net of Provisions)	8753072	9170257
Total	8753072	9170257

17. Operating Income

Particulars	Current Year	Previous Year
	₹	₹
Operating Income: -		
Export Sales	224967620	58215280
Domestic Sales	2423202063	1601072059
	2648169683	1659287339
Less:		
Excise Duty	(222883165)	(143361690)
Net Sales	2425286518	1515925649
Export Incentives	8999910	2803072
OPERATING INCOME	2434286428	1518728721
Other Operating Income: -		
Sales Miscellaneous	6538773	3270597
Others	16656269	20001
	<u>23195042</u>	<u>3290598</u>
Total	2457481470	1522019319


17.1 Detail of Sales

Particulars	Current Year	Previous Year
	₹	₹
Export Sales		
- Direct Export Of Bopp Film	224967620	58215280
Local Sales		
- Deemed Export Of Bopp Film	64120334	67302923
- Bopp Films	2287112968	1488655821
- Bopp Other (incl. Waste)	71100201	45113314
- Raw Material	868560	-
- Other (misc. Scrap)	6538773	3270597
Total	2654708456	1662557935

18. Other Income

Particulars	Current Year	Previous Year
	₹	₹
Dividend Income (from Other Long Term Investments)	25898462	22600217
Interest Gross	184151	1251970
Profit On Sale Of Investments	-	22060636
Profit On Sale Of Fixed Assets	-	1380
Misc Receipts	293931	209291
Prior Period Items	196854	-
Exchange Rate Diff	98412	105012
	26671810	46228506

19. Cost of Raw Material Consumed

Particulars	Current Year	Previous Year
	₹	₹
Opening Stock of Raw Material	73857824	12626479
Raw Material Purchases (net Of Sales)	1528598707	1116806479
Closing Stock of Raw Material	27626238	73857824
Raw Material Consumed	1574830293	1055575134

19.1 Detail of Raw Material Consumed

Particulars	Current Year	Previous Year
	₹	₹
PP Resin and Additives	1574830293	1055575134

20. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

Particulars	Current Year	Previous Year
	₹	₹
Opening Stock		
- Finished Goods (including Waste)	12213720	-
- Work In Progress	49043340	-
	61257060	-
Closing Stock		
- Finished Goods (including Waste)	(9014590)	(12213720)
- Work In Progress	(31815623)	(49043340)
(INCREASE) / DECREASE IN FINISHED GOODS & WIP STOCK	20426847	(61257060)


20.1 DETAIL OF OPENING AND CLOSING STOCK OF GOODS PRODUCED AND TRADED IN

Particulars	Current Year	Previous Year
	₹	₹
Opening Stock		
Bopp Films	8521380	-
Waste	3692340	-
Closing Stock		
Bopp Films	6902605	8521380
Waste	2111985	3692340

21. EMPLOYEE BENEFITS EXPENSES

Particulars	Current Year	Previous Year
	₹	₹
Salary Wages And Bonus	37843728	29541663
Contribution To PF, ESI, Group Insurance & Gratuity	4571901	4198162
Employee Welfare Exp.	2635230	1975318
TOTAL	45050859	35715143

21.1 The Employee's Gratuity fund scheme is managed by LIC. The following Table set out the funded status of the gratuity plan recognized as per the company's financial statement as at 31.03.2012

S.No.	Particulars	Current Year	Previous Year
		₹	₹
1	Asumptions		
	Discount Rate	8%	8%
	Salary Escalation	7%	7%
	Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
2	Reconciliation of Opening and Closing balances of defined benefit obligation:		
	Present value of obligations as at the beginning of the year	2336832	904259
	Interest Cost	186947	72341
	Current Service Cost	654488	383408
	Benefit Paid	0	(16817)
	Acturial (gain)/(Loss) on obligations	367821	993641
	Present value of obligations as at the end of the year	3546088	2336832
3	Reconciliation of Opening and Closing balances of plan assets:		
	Fair value of plan as at the beginning of year	2420795	988222
	Returns on plan asset	218115	88264
	Contributions	991141	1361126
	Benefit Paid	--	(16,817)
	Acturial (gain)/(Loss) of Plan Asset	--	--
	Fair value of plan as at the end of year	3630051	2420795
4	Reconciliation of fair value of assets and obligations:		
	Present Value of obligations as at the end of year	3546088	2336832
	Fair value of plan as at the end of year	3630051	2420795
	Net Asset/(Liability) recognized in the Balance Sheet	(83963)	(83963)
5	Expenses Recognized in statement of Profit & Loss		
	Current Service Cost	654488	383408
	Interest Cost	186947	72341
	Expected return on plan asset	(218115)	(88264)
	Net Acturial (gain)/loss recognised in the year	367821	993641
	Expenses Recognized in statement of Profit & Loss	991141	1361126

22. Financial Expenses

Particulars	Current Year	Previous Year
	₹	₹
Interest expense		
- Interest To Banks		
- On Working Capital	9054837	1328772
- On Term Loans	169238107	137934211
- Interest to Others	2295670	9066560
Other borrowing costs	1203659	981683
TOTAL	181792273	149311226

**23. Other Expenses**

Particulars	Current Year	Previous Year
	₹	₹
Manufacturing Expenses (A)		
Power And Fuel	133451911	99543455
Dyes & Chemicals	237308	212359
Machinery Repair And Maintenance	11622965	4741630
Other Manufacturing Expenses	3624626	4018459
TOTAL (A)	148936810	108515903
Selling Expenses (B)		
Brokerage/commission On Sale	2211050	6539240
Export Development And Sale Promotion	2530293	100586
Packing & Forwarding Charges	120528069	75941796
Foreign Travelling Expenses (others)	252503	366677
Rebate & Discount	94126413	31970641
Other Selling Expenses	101700	4371
TOTAL (B)	219750028	114,923311
Excise Duty On Closing Stock (C)	579164	571110
Administrative Expenses (D)		
Directors Sitting Fees	195000	265000
Travelling Expenses		
Directors	2152	2868
Others	1023508	1024203
Auditors Remuneration		
Audit Fees	165450	165450
Tax Audit Fees	33090	9927
Certification Charges	5410	3536
Other	918	1440
Other Expenses	10476265	5718470
TOTAL (D)	11901793	7190894
Other Expenses (E)		
Cost Of Raw Material Sold	647719	-
Building Repair & Maintenance	1159332	246764
General Repair & Maintenance	1398802	844803
Loss On Sale Of Investments	-	1595099
Bank Charges	1257955	444845
Other Expenses	990636	493531
TOTAL (E)	5454443	3625042
TOTAL (A to E)	386622238	234826260



24 Value of Imported and Indigenous Raw Materials, Stores, Spare Parts and Components Consumed

Particulars	Current Year ₹	% Age of Cons.	Previous Year ₹	% Age of Cons.
Raw Material				
- Imported	122741020	7.79%	72475771	6.87%
- Indigenous	1452089273	92.21%	983099363	93.13%
Spare Parts, Stores and Components				
- Imported	5449597	5.04%	3551955	4.17%
- Indigenous	102612268	94.96%	81625551	95.83%

25 CIF Value of Imports

Particulars	Current Year ₹	Previous Year ₹
Raw Materials	122231029	75404316
Stores and Spares	5744945	4763439
Capital goods	-	5927619

26. Expenditure in Foreign Currency

Particulars	Current Year ₹	Previous Year ₹
Travelling	36891	178025
Commission on Export Sales	1582134	-
Subscription Expenses	185726	-

27. Earning Per Share

The calculation of Earnings per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS)-20 on 'Earnings per Share' issued by the Institute of Chartered Accountants of India.

Particulars	Current Year	Previous Year
	₹	₹
BASIC AND DILUTED		
Earning per share has been computed as under:		
BASIC		
a) Profit after Taxation	70033539	36494852
b) Number of weighted average shares outstanding	24587991	24,587,991
c) Earning per share (face value Rs. 5/- per share)	2.85	1.48
DILUTED		
a) Profit after Taxation	70033539	36494852
b) Number of weighted average shares outstanding	24587991	24587991
c) Earning per share (face value Rs. 5/- per share)	2.85	1.48

28. Earning In Foreign Exchange

Particulars	Current Year	Previous Year
	₹	₹
FOB VALUE OF EXPORTS	218211508	55831754



29. Related Party Disclosure:

Detail of transactions entered into with related parties during the period as required by Accounting Standard 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are as under:

Sr. No.	Particulars	*Associates		Key Management Personnels & Their Relatives	
		Current Year ₹	Previous year ₹	Current Year ₹	Previous year ₹
1	Inter Corporate Loans Advanced	-	23194593		
2	Inter Corporate Loans Received back	-	122473593		
3	Inter Corporate Deposits Received	40000000	192570000		
4	Inter Corporate Deposits repaid back	41500000	191070000		
5	Interest Received	-	1242922		
6	Interest Paid	2038184	9066560		
7	Fixed Assets Purchased	848365	33900		
8	F.O. Purchased	4314551	2793894		
9	Generator Expenses	-	1077735		
10	Fixed Assets Sold	39369	119168		
11	Misc.Sales	175384	7000		
12	Directors Sitting Fee	-	-	45000	70000
13	Directors Remuneration	-	-	1426816	1238445
14	Rent Paid	152214	145596		
15	DEPB Purchased	12021675	17923129		
16	DEPB Sold	165221	-		
17	CLOSING BALANCE				
	- Debtors/Receivables	281107	-		
	- Crs./Payable	21309	12783314		

***Associates**

Nahar Spinning Mills Ltd., Nahar Capital & Financial Services Ltd., Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Ltd., Vanaik Spinning Mills Ltd., Abhilash Growth Fund (P) Ltd., Atam Vallabh Financers Ltd., Bermuda Insurance Brokers Pvt. Ltd., Kovalam Investments & Trading Co. Ltd., Ludhiana Holdings Ltd., Monica Growth Fund (P) Ltd., Nagdevi Trading & Investment Co. Ltd., Nahar Growth Fund (P) Ltd., Neha Credit & Investment (P) Ltd., Ogden Trading & Investment Co.(P) Ltd., Ruchika Growth Fund (P) Ltd., Sankeshwar Holding Co. Ltd., Vanaik Investors Ltd., Vardhman Investments Ltd., J.L. Growth Fund Ltd., Jawahar Lal & Sons.

Key Management Personnel

Sh. Jawahar Lal Oswal, Sh. Dinesh Oswal, Sh. Kamal Oswal and Sh. S.K. Sharma.

Relatives of Key Management Personnel

Mrs. Abhilash Oswal, Mrs. Ruchika Oswal, Mrs. Manish Oswal, Mrs. Ritu Oswal and Mrs. Monika Oswal

30. Contingent Liabilities

PROVISION AND CONTINGENT LIABILITIES

a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if : - the company has a present obligation as a result of past event.

- a probable outflow of resources embodying economic benefits is expected to settle the obligation and
- the amount of the obligation can be reliably estimated.

b) Contingent Liability is disclosed in case of :

- a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- a possible obligation, unless the probability of outflow in settlement is remote.



Particulars	Current Year	Previous Year
	₹	₹
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	Nil	Nil
(b) Guarantees	Nil	Nil
(c) Other money for which the company is contingently liable	Nil	Nil
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	40541	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil
(c) Letter of Credit outstanding in favour of Suppliers of Goods (Net of Advances)	16214522	11668258
(d) Other commitments (specify nature)	Nil	Nil
Total	16255063	11668258

WARRANTY CLAIMS

As per the nature of business of the company, the question of warranty claims does not arise. The routine claims on account of quality or quantity logged with the company other than those which are disputed one, are accounted for as and when accepted by the company.

31. GENERAL

- 1) Material events occurring after the balance sheet date are taken into cognizance.
- 2) Prior period and extra ordinary items of changes in account policies having material impact on the financial affairs of the Company (if any) are disclosed.
- 3) The accounts of the company have been prepared on going concern basis.
- 4) In the opinion of the Board, the value of Current Assets, Loans and Advances have a value in the ordinary course of business at least equal to that stated in the Balance Sheet.
- 5) The company has only one reportable business segment and therefore no separate disclosure is required in accordance with Accounting Standard (AS)-17 on "segment reporting" notified by the Company (Accounting Standards) Rules, 2006.
- 6) Some balances of Sundry Creditors, Advances and Sundry Debtors are subject to their confirmation.
- 7) The company is eligible for sales tax incentive/subsidy from the government of MP. During the year the company has been granted sales tax incentive/subsidy amounting to Rs.15961892 lacs for the financial year 2010-11 (Previous year Nil) to be adjusted against future sales tax liabilities of the company. The company is accounting the above sales tax subsidy on receipt bases as the availability of the above subsidy is only on the bases of completion of certain formalities.
- 8) The financial statements for the year ended 31-03-2012 have been prepared as per the requirement of the revised schedule VI to the companies Act, 1956 as per notification issued by the Central Government. The prior period figures has been accordingly regrouped reclassified to confirm the current year classification.

As per our Report of even date annexed
For GUPTA VIGG & COMPANY
Chartered Accountants
FRN 001393N

For & On behalf of the Board

Place : LUDHIANA
Date : 30.05.2012

VIPAN KR GUPTA
Partner
M.No.502737

P.K. VASHISHTH
Finance Advisor

DINESH OSWAL
Director

S.K. SHARMA
Executive Director

**CASH FLOW STATEMENT FOR THE PERIOD FROM 1ST APRIL, 2011 TO 31ST MARCH, 2012
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

		(In Rs.)
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	129657174	
Adjustments for: -		
Depreciation	145773596	
Interest Expenditure	180588614	
Interest Received	-	
Dividend	(25898462)	
(Profit)/Loss on Sale of Investments	-	
(Profit)/Loss on sale of Fixed Assets	1136	
Operating profit before Working Capital changes		430122058
Adjustments for :		
(Increase)/Decrease in Trade & Other Receivables	(72660848)	
(Increase)/Decrease in Inventories	62842736	
(Increase)/Decrease in Short Term Loans & Advances	20666067	
(Increase)/Decrease in Long Term Advances	(214623)	
Increase/(Decrease) in Trade Payables & Short Term Others Liabilities	(29471775)	
Increase/(Decrease) in Working Capital Bank Borrowing	(48769242)	(67607685)
Cash generation from operating activities		3,62514373
Interest Paid		(180588614)
Taxes Paid		(18573483)
Net cash from operating activities		163352276
B CASH FLOW FROM THE INVESTING ACTIVITIES		
Income from Investments	-	
Interest Received	-	
Dividend Received	25898462	
Purchase of Fixed Assets (incl Capital work in process, capital advances, & exp pending for capitalisation)	(4737905)	
Sale of Fixed Assets	1903680	
Increase in Investments	-	
Sale of Investments	-	23064236
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/Decrease in Share Capital/Reserve	-	
Share Premium	-	
Proceeds from Long Term Borrowings	-	
Repayment of Long Term Borrowings	(174055900)	
Interest Paid	-	
Dividend Paid (including Corporate Dividend Tax)	(10001873)	(184057773)
Net Increase in Cash and Cash Equivalent		2358739
Cash & cash equivalents as on 31/03/2011		10221856
Cash & cash equivalents as on 31/03/2012		12580595

Place : Ludhiana
Date : 30.05.2012

FOR AND ON BEHALF OF THE BOARD

P.K. VASHISHTH
Finance Advisor

DINESH OSWAL
Director

S.K. SHARMA
Executive Director

AUDITOR'S CERTIFICATE

We have checked the above Cash Flow Statement of Nahar Poly Films Limited, derived from the audited financial statements for the year ended 31st March, 2012 with the books and records maintained in the ordinary course of business and found the same in accordance therewith.

For GUPTA VIGG & CO.
Chartered Accountants
FRN 001393N

Place : Ludhiana
Dated : 30.05.2012

VIPAN KR GUPTA
(Partner)
M.No.:502737

NAHAR POLY FILMS LIMITED

Registered Office : 376, Industrial Area-'A', Ludhiana-141003

PROXY FORM

I/We
ofbeing a member/members of
NAHAR POLY FILMS LIMITED hereby appoint.....
of failing him/her.....
of.....
as my/our proxy(s) to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on
Saturday, the 29th September, 2012 at 10.45 a.m. at the Premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana
and at any adjournment thereof.

As witness my/our hand(s) this.....day of.....2012.

(Date)

(Month)

Ledger Folio No.

Client I.D. No.

D.P.I.D. No.

Signature

Note :

The proxy(s) in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time for
holding the aforesaid meeting. The Proxy need not be a member of the company.

Affix
Revenue
Stamp of
Rs. 1/-

CUT HERE

NAHAR POLY FILMS LIMITED

Registered Office : 376, Industrial Area-'A', Ludhiana-141003

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the 24th Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at
10.45 a.m. at the Premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana.

FULL NAME OF THE MEMBER (IN BLOCK LETTERS)

Name of the Proxy.....

(To be filled in if the Proxy Form has been duly deposited with the Company)

Ledger Folio No.

Client I.D. No.

D.P.I.D. No.

Member/Proxy's Signature*

No of Shares Held.....

(to be signed at the time of handing over this slip)

*Strike out whichever is not applicable

BOOK POST

(Printed Matter)

If undelivered, please return to :
NAHAR POLY FILMS LIMITED
Regd. Office : 376, Industrial Area-'A',
Ludhiana-141 003