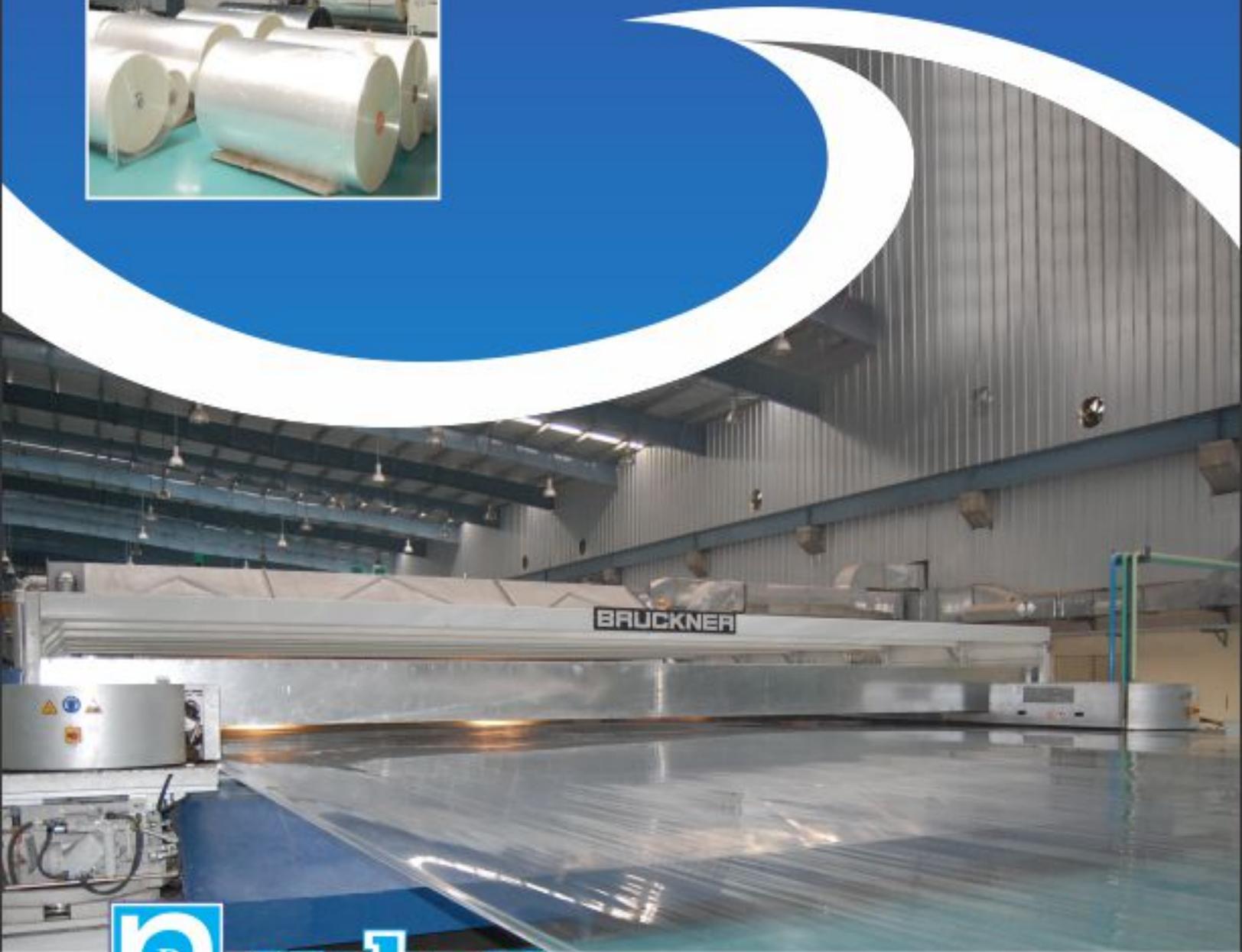




The Nahar Group

23rd
Annual Report
2010 - 2011



Nahar

POLY FILMS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal	Chairman
Sh. Dinesh Oswal	Director
Sh. Kamal Oswal	Director
Sh. Dinesh Gogna	Director
Sh. Satish Kumar Sharma	Executive Director
Sh. Komal Jain	Director
Dr. (Mrs.) H.K. Bal	Director
Dr. Om Parkash Sahni	Director
Prof. Kanwar Sain Maini	Director
Dr. Suresh Kumar Singla	Director
Dr. Yash Paul Sachdeva	Director
Dr. Amrik Singh Sohi	Additional 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

23rd ANNUAL GENERAL MEETING

Day : Tuesday
Date : 20th September, 2011
Time : 10.30 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 gredressalnpfl@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 Third Annual General Meeting** of the members of **Nahar Poly Films Limited**, will be held on **Tuesday, the 20th day of September, 2011 at 10.30 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, 2011 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. Dinesh Gogna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Om Parkash Sahni, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Yash Paul Sachdeva, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Prof. K.S. Maini, who retires by rotation and being eligible, offers himself 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 an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, for the time being in force and Article 109 of the Articles of Association of the Company, Dr. Amrik Singh Sohi, who was appointed as Additional Director of the Company w.e.f. 30th July, 2011 and who holds such office up to the date of forthcoming Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received

a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

BY ORDER OF THE BOARD

PLACE : LUDHIANA

ATUL SUDDATED: 30th July, 2011

(Company Secretary)

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

The Board of Directors at their meeting held on 30th July, 2011 appointed Dr. Amrik Singh Sohi as an Additional Director of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 109 of Articles of Association of the Company. Dr. Amrik Singh Sohi shall hold the office of Director upto the ensuing Annual General Meeting of the Company.

The Company received a notice in writing alongwith requisite deposit from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Dr. Amrik Singh Sohi as a Director, liable to retire by rotation. The Company has also received consent in writing from Dr. Amrik Singh Sohi to act as a Director of the Company, if appointed.

Dr. Amrik Singh Sohi is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has obtained director Identification Number in terms of Section 266(A) of the said Act.

Dr. Amrik Singh Sohi is 64 years of age. He is M.Sc., Ph.D and is having more than 36 years of experience in teaching and Entomology Research. He retired from Punjab Agricultural University, Ludhiana as Sr. Entomologist (Professor). The Board consider that having regard to his knowledge and experience, it will be in the interest of the Company to appoint him as director of the Company.

Your directors recommend the resolution for your approval.

None of the director except Dr. Amrik Singh Sohi may be deemed to be concerned or interested in the resolution.

BY ORDER OF THE BOARD

PLACE : LUDHIANA

ATUL SUDDATED: 30th July, 2011

(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.
2. The Register of Members and Share Transfer Register of the Company shall remain closed from 10th September, 2011 to 20th September, 2011 (both days inclusive).
3. 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 20th September, 2011 or Register of Beneficial owner, maintained by the Depositories at the close of 9th September, 2011.
4. Pursuant to the section 205C of the Companies Act, 1956, all unclaimed dividends up to the financial year 2002-2003 have been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2003-2004 is to be transferred to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 in November, 2011. 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.
5. 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 9th September, 2011.
6. 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.
7. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form 2B).
8. 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.
9. Members are requested to bring the copy of Annual Report along with them, at the meeting.
10. 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.
11. 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.

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. DINESH GOGNA
Age	:	58 Years
Qualification	:	B.A. LL.B
Expertise	:	Having more than 34 years experience in Corporate Finance & Taxation.

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

Name of the Company	Committee	Status
1. Oswal Woollen Mills Limited	Audit	Member
2. Nahar Spinning Mills Limited	Audit	Member
3. Nahar Capital And Financial Services Limited	-	-
4. Nahar Industrial Enterprises Limited	Audit Share holders Grievance	Member Chairman
5. Oswal Leasing Limited	-	-
6. Girnar Investment Limited	-	-
7. Monte Carlo Fashion Limited	-	-
8. Cotton County Retail Limited	-	-
9. Crown Star Limited. (U.K.)	-	-

2. Name : Dr. Om Prakash Sahni
Age : 70 Years
Qualification : M. Sc., MBA, Ph.D.
Expertise : Having more than 32 years of Experience in teaching Management and Administration.

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

Name of the Company	Committee	Status
1. Nahar Capital and Financial Services Limited	Shareholders- Grievance Audit	Chairman Member
2. Nahar Spinning Mills Limited	Shareholders- Grievance Audit	Member Member
3. Nahar Industrial Enterprises Limited	Audit Shareholders Grievance	Chairman Member
4. Oswal Woollen Mills Limited	Shareholders Grievance Audit	Member Member
5. Midland International Limited	-	-

3. Name : Dr. Yash Paul Sachdeva
Age : 49 Years
Qualification : M.B.A. Ph.D
Expertise : Having more than 24 years experience of teaching Business Management.

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

Name of the Company	Committee	Status
1. Nahar Industrial Enterprises Ltd	-	-
2. Cotton County Retail Limited	Audit	Member
3. Oswal Spinning & Weaving Mills Limited	-	-
4. Nahar Capital and Financial Services Limited	- Audit	- Member

4. Name : Prof. K.S. Maini
Age : 72 Years
Qualification : M.Com.
Expertise : Having more than 31 years experience in teaching Commerce, Management and Administration.

His Directorship/Membership in the committee of the board in other companies are as under:

Name of the company	Committee	Status
1. Nahar Industrial Enterprises Limited	Shareholders Grievance	Member
2. Oswal Woollen Mills Limited	Audit	Member
3. Nahar Spinning Mills Limited	Audit	Chairman
4. Nahar Capital and Financial Services Limited	Audit	Chairman

5. Name : Dr. Amrik Singh Sohi
Age : 64 Years
Qualification : M.Sc. Ph.D
Expertise : Having more than 36 years of experience in teaching and Entomology Research.

His Directorship/Membership in the committee of the board in other companies are as under:

Name of the company	Committee	Status
Nil	Nil	Nil

BY ORDER OF THE BOARDPLACE : LUDHIANA
DATED: 30th July, 2011**ATUL SUD**
(Company Secretary)



DIRECTORS REPORT

To

The Members,

Your directors have pleasure in presenting the **Twenty Third ANNUAL REPORT** on the affairs of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

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

(Rs. in Lac)		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Profit before interest & Depreciation	3024.07	394.96
Less: Interest	1483.30	--
Depreciation	1248.23	--
Provision for taxation (Net of Deferred Tax)	(72.41)	50.00
Profit after tax	364.95	344.96
Adjustment of Income Tax earlier years	8.48	
Add: Balance of Surplus brought Forward	8.62	14.02
Amount available for appropriation	382.05	358.98
APPROPRIATION		
Proposed Dividend	86.06	86.06
Tax on Distributed profits	13.96	14.29
Transfer to General Reserve	280.00	250.00
Balance carried to balance sheet	2.03	8.63
	382.05	358.98

BOPP FILMS PROJECT

As the members are aware that Company diversified its activities in the year 2007 into BI-AXIALLY ORIENTED POLY PROPYLENE FILMS (BOPP) by putting a Project at capital outlay of Rs.300 Crore (approximately) in the state of Madhya Pradesh. The plant is equipped with state of the art manufacturing facilities imported from Bruckner of Germany. We are pleased to inform that the plant has started its operation on 20th May, 2010. The products of the Company have been well received in the domestic as well as International Markets.

OPERATIONAL REVIEW

We are pleased to inform you that in its 1st year of operation, the Company achieved an operating income of Rs.16653.61 lacs out of which Rs. 582.15 lac 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.3024.07 lacs during the year under review. After providing

Rs.1483.30 lacs towards interest and Rs.1248.23 lacs towards depreciation, it earned a profit before tax of Rs.292.54 lacs. After adjustment of deferred gain, income tax of earlier years and provision for tax, the company earned a net profit of Rs.382.05 lacs. After appropriation of profit as per detail hereinabove an amount of Rs.280.00 lacs has been transferred to General Reserve thereby increasing the company's reserve to Rs.13263.07 lacs as on 31st March, 2011.

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 @ 7% i.e. Rs.0.35 per equity share on paid up equity share capital for the year ended 31st March, 2011.

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 20th September, 2011 or Register of beneficial owners, maintained by the depositories as at the close of 9th September, 2011.

DIRECTORS

Sh. Amarjeet Singh Director who have been associated with the Company since 2001 left for heavenly abode on 30.05.2011. The Board pray to the almighty to give peace and solace to the departed soul.

Pursuant to Article 112 of the Articles of Association of the company Sh. Dinesh Gogna, Dr. Om Parkash Sahni, Dr. Yash Paul Sachdeva & Prof. K.S. Maini, will be retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Dr. Amrik Singh Sohi was appointed as an Additional Director of the Company on 30th July, 2011 by the Board. He shall hold the office upto the ensuing Annual General Meeting. The company has received a notice under section 257 of the Companies Act, 1956 from a member proposing his candidature as director of



the Company subject to your approval. The necessary resolution is being proposed for your approval in the accompanying notice of the 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 gredressalnpl@owmnahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

OPEN OFFER

During the year Nahar Spinning Mills Limited, a Group Company, made an Open Offer under the provision of regulation 11(2A) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 1997 and subsequent amendments thereto for the acquisition of 2437251 fully paid up equity shares of Rs.5/- each representing 9.91% of the total paid up equity share capital of the Company. The Nahar Spinning Mills Limited got only 685094 equity shares representing 2.79% of the equity capital of the Company under the said Offer. The required disclosure/compliances have already been made to the SEBI as well as Stock Exchanges, in this regard by the Company.

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 2011-2012.

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 91.97% of the Share Capital has been de-materialized by the members of the Company.

Annual custodian fee for the financial year 2011-2012 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. Amarjeet Singh as Chairman, Sh. Dinesh Gogna and Dr. O.P. Sahni. as



members. Because of the sad demise of Sh. Amarjeet Singh, the vacancy so caused was filled up by appointing Dr. S.K. Singla, as member as well as chairman of Audit Committee on the same day itself. 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

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.

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.2328065.00 (Rs. Twenty Three Lac Twenty Eight Thousand Sixty Five) being the amount of unclaimed dividend for the year 2002-2003 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.

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 : 30th JULY, 2011**

**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, 2011.

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	
	2010-2011	2009-2010	
A. POWER & FUEL CONSUMPTION			
1. Electricity			
a) Purchased			
Units (Kwh)	13104440	Nil	
Total amount (Rs.)	58372953	Nil	
Rate per Unit (Rs.)	4.45	Nil	
b) Own Generation			
Through Diesel Generator			
Units produced (KWH)	3140776	Nil	
Total amount (Rs.)	21987343	Nil	
Cost per unit (Rs.)	7.00	Nil	
(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)	715725	Nil
Total cost (Rs.)	19183160	Nil
Rate/Tonne (Rs.)	26802	Nil
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	1.20	Nil
2. Furnace Oil per kg	0.05	Nil
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 taking effective steps to explore the export markets so that it can export its products.

	Current Year	Previous Year
	2010-11	2009-10
(II) Total Foreign Exchange used and earned :-		
a) Foreign Exchange outgo (Rs.)	981466302	138289892
b) Foreign Exchange earned (Rs.)	55831754	Nil

FOR AND ON BEHALF OF THE BOARD

**PLACE : LUDHIANA
DATED : 30th JULY, 2011**

**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

- 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.
- Since Sh. J.L. Oswal is Non Executive Promotor 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

dent 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.

- Sh. Amarjeet Singh, Independent Director left for heavenly abode on 30.05.2011. The vacancy caused by his death was filled up by the appointment of Dr. Amrik Singh Sohi as an Additional Director on 30th July, 2011.
- The Board met 5 times on 29.05.2010, 28.07.2010, 18.09.2010, 28.10.2010, 25.01.2011 during the period April, 2010 to March, 2011 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.
- 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.
- Non Executive Directors are paid a sitting fee of Rs.5000/- per meeting of the Board.
- 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.
- 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 2010-2011 is as under:

Name of Director	Category of Directors	No. of other Directorship (excluding private companies)	No. of Committee membership		No. of Board Meeting attended	Annual General Meeting Attendance (held on 30.09.2010)	No. of Shares held
			Member	Chairman			
Mr. Jawahar Lal Oswal	Non Executive Promoter	14	--	--	4	No	Nil
Mr. Dinesh Oswal	Non Executive Promoter	14	--	--	5	Yes	105273
Mr. Kamal Oswal	Non Executive Promoter	14	--	1	5	Yes	31500
Mr. Dinesh Gogna	Non Executive	8	4	1	5	Yes	700
Dr. (Mrs.) H.K. Bal	Non Executive Independent	5	2	2	5	Yes	Nil
Mr. Amarjeet Singh*	Non Executive Independent	10	4	4	5	Yes	305
Mr. S.K. Sharma	Executive Director	2	3	--	5	Yes	Nil
Dr. O. P. Sahni	Non Executive Independent	5	8	2	4	Yes	187
Prof. K.S. Maini	Non Executive Independent	4	2	2	5	Yes	158
Dr. Suresh Kumar Singla	Non Executive Independent	4	3	2	5	Yes	Nil
Dr. Yash Paul Sachdeva	Non Executive Independent	5	1	--	5	Yes	Nil
Sh. Komal Jain	Non Executive	4	1	1	5	Yes	175
Dr. Amrik Singh Sohi**	Non Executive Independent	--	--	--	--	--	--

*The Office of Director held by Sh. Amarjeet Singh stand vacated because of his death on 30.05.2011.

**Dr. Amrik Singh Sohi was appointed as Additional Director by the Board on 30.07.2011.



9. 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.owmnaahar.in.
10. 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. Amarjeet Singh, Dr. O.P. Sahni and Sh. Dinesh Gogna are the two other members of the Audit Committee. Because of the sad demise of Sh. Amarjeet Singh on 30th May, 2011 the vacancy so caused was filled up with the appointment of Dr. S.K. Singla as member as well as chairman of Committee on 30th May, 2011. 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 34 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. 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, 2010, the committee met for 4 times i.e. on 29.05.2010, 28.07.2010, 28.10.2010 and 25.01.2011 and in these meetings, the quarterly un-audited financial results as well as the financial statement during the year ended 31st March, 2010 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 31.03.2011	No. of meetings attended
Sh. Amarjeet Singh	4	4
Sh. Dinesh Gogna	4	4
Prof. K.S. Maini	4	4

Sh. Amarjeet Singh, Chairman of the Audit Committee attended the last Annual General Meeting of the company held on 30th September, 2010 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. Komal Jain, as Chairman, Sh. Amarjeet Singh and Dr. (Mrs.) H.K. Bal as members. Because of the demise of Sh. Amarjeet Singh on 30th May, 2011 the vacancy so caused was filled up with the appointment of Dr. S.K. Singla as member of Remuneration committee on 30.05.2011.

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 29.05.2010, 04.06.2010 and 25.01.2011. The attendance record of the meeting held is as follows:

Name of the Member	No. of meetings held Upto 31.03.2011	No. of meetings attended
Sh. Komal Jain	3	3
Sh. Amarjeet Singh	3	1
Dr. (Mrs. H.K. Bal)	3	3

The details of remuneration paid to Executive Director/Director(s) for the year ended 31st March, 2011 is as under:

	Salary (Rs.)	Sitting Fee (Rs.)
Sh. Jawahar Lal Oswal		20,000.00
Sh. Kamal Oswal		25,000.00
Sh. Dinesh Oswal		25,000.00
Sh. Dinesh Gogna		25,000.00
Sh. Satish Kumar Sharma	1238445.00	--
Sh. Komal Jain		25000.00
Sh. Amarjeet Singh		25000.00
Dr. (Mrs.) H.K. Bal		25000.00
Dr. O.P. Sahni		20000.00
Prof. K.S. Maini		25000.00
Dr. S.K. Singla		25000.00
Dr. Yash Paul Sachdeva		25000.00

IV. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The company has already 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, 2010 to 31st March, 2011 i.e. 30.04.2010, 31.05.2010, 30.06.2010, 31.07.2010, 31.08.2010, 30.09.2010, 30.10.2010, 30.11.2010, 31.12.2010, 31.01.2011, 28.02.2011 and 31.03.2011. The attendance of the members is as follows:-

Name of the Member	No. of meetings held Upto 31.03.2011	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.

The Company has also constituted a Shareholders/Investors Grievance Committee consisting of three Non Executive Directors under the Chairpersonship of Dr. (Mrs.) H.K. Bal, Sh. Amarjeet Singh and Sh. Komal Jain are two other members of the committee. Because sad demise of Sh. Amarjeet Singh on 30th May, 2011. Dr. O.P. Sahni was appointed as a member of Shareholders'/Investors' Grievance Committee on 30.05.2011. Sh. Atul Sud, Company Secretary is the compliance officer of the company. The committee look into the complaints/grievances of shareholders such as transfer of shares, non-receipt of dividend/share certificates, Demat problems etc. The committee met 4 times during April, 2010 to March, 2011 i.e.29.05.2010, 28.07.2010, 28.10.2010 and 25.01.2011. The attendance record of the meeting held is as under:

Name of the Member	No. of meetings held Upto 31.03.2011	No. of meetings attended
Dr. (Mrs.) H.K. Bal	4	4
Sh. Amarjeet Singh	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 :39
 No. of complaints resolved during the year :39
 No. of complaints pending as on 31.03.2011 :Nil

V. GENERAL BODY MEETINGS

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

Financial year	Location	Date	Time
2007-2008	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	29.09.2008	10.30 A.M.
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.

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

2007-2008

No Special Resolution was passed.

Special Resolution passed at the Extra Ordinary Genreal Meeting held on 11th June 2008.

i) To change the company's name from Nahar Investments and holding limited to Nahar Poly Films Ltd.

2008-09

No Special Resolution was passed.

2009-10

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

(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.

VI. DISCLOSURES

- 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. 9 of the Notes on accounts.
- 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.
- The company does not have any whistle blower policy as of now but no personnel is being denied any access to the Audit Committee.
- 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.

VII. 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 in English and Punjabi Desh Sewak in vernacular. The Company's Quarterly, Half yearly and Annual Results are also displayed on the website of the company i.e. www.ownahar.in 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.

VIII. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting: September 20, 2011
Date, Day,Time & venue Tuesday at 10.30A.M. Pre-



- mises 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** 10th September, 2011 to 20th September, 2011 (both days inclusive)
 4. **Dividend Payment**
 - a) **Payment Date** : Before 10th October, 2011
 - b) **Mode of payment of dividend** : The company provide 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, 2003 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, 2004 will be transferred to the said Fund in November, 2011. All the members who have not encashed 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 2011-2012 have been paid in full by the company.
 6. **Stock Code** :
For trading at NSE-NAHAR POLY
For trading at BSE-523391
 7. For Dematerialization INE308A01027
 8. **Compliance Officer**
Ms. Pooja Malhotra, Company Secretary was the compliance officer of the company for the financial year 2010-2011. She has resigned from the post of company secretary w.e.f. 28.02.2011 and Sh. Komal Jain was appointed as Compliance Officer of the company. Now the company has appointed Mr. Atul Sud as Company Secretary as well as compliance officer of the company w.e.f. 30th July, 2011.
 9. **Dedicated e-mail for Investor Grievance**
To enable investors to register their grievances, the company has designated an exclusive e-mail id i.e. gredressalnpl@owmnahar.com

IX. MARKET PRICE DATA

The month wise High, Low stock prices during the financial year 2010-2011 are as follows

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2010	28.00	24.50	27.95	24.05
May, 2010	27.75	20.00	27.00	20.20
June, 2010	25.50	21.80	24.95	21.50
July, 2010	30.75	22.10	31.00	22.00
August, 2010	36.25	25.25	36.80	25.10
September, 2010	55.70	30.50	56.00	30.10
October, 2010	51.15	43.65	52.00	44.10
November, 2010	47.95	42.10	48.50	42.05
December, 2010	48.10	38.55	48.25	38.85
January, 2011	42.00	37.15	42.95	36.35
February, 2011	39.95	29.85	39.00	30.00
March, 2011	32.90	28.20	36.00	28.10

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.

X. 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
2010-11								
April, 2010	28.00	24.50	26.00	5.91	18047.86	17276.80	17558.71	0.17
May, 2010	27.75	20.00	22.30	-14.23	17536.86	15960.15	16944.63	(3.49)
June, 2010	25.50	21.80	23.40	4.93	17919.62	16318.39	17700.90	4.46
July, 2010	30.75	22.10	27.10	15.81	18237.56	17395.58	17868.29	0.95
August, 2010	36.25	25.25	31.35	15.68	18475.27	17819.99	17971.12	0.57
Sept, 2010	55.70	30.50	49.60	58.21	20267.98	18027.12	20069.12	11.67
Oct, 2010	51.15	43.65	45.60	-8.06	20854.55	19768.96	20032.34	(0.18)
Nov, 2010	47.95	42.10	47.40	3.94	21108.64	18954.82	19521.25	(2.55)
Dec, 2010	48.10	38.55	41.45	-12.55	20552.03	19074.57	20509.0	5.06
January, 2011	42.00	37.15	37.35	-9.89	20664.80	18038.48	18327.76	(10.63)
February, 2011	39.95	29.85	31.00	-17.00	18690.97	17295.62	17823.40	(2.75)
March, 2011	32.90	28.20	31.80	2.58	19575.16	17792.17	19445.22	9.10

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

XI. 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.

XII. 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.

XIII. 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.

XIV. Distribution of Shareholding as on March 31, 2011

As on March 31, 2011 your Company had 29004 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 share holding
1-500	26377	90.94	3706827	15.07
501-1000	1859	6.41	1207911	4.91
1001-2000	417	1.48	592409	2.41
2001-3000	124	0.43	308849	1.26
3001-4000	53	0.18	187062	0.76
4001-5000	39	0.13	178901	0.73
5001-10000	69	0.24	509021	2.07
10000 and above	66	0.23	17897011	72.79
TOTAL	29004	100	24587991	100.00

XV. The Shareholding pattern as on March 31, 2011 as follows:

Shares held by	No. of Shares	% of shareholding
Banks and Mutual Funds	3380	0.02
Foreign holdings (FIIs, NRIs)	40038	0.16
Bodies Corporate	562843	2.29
Directors/Relatives of Directors	4899	0.02
General Public	7287995	29.64
Promoters	16688836	67.87
TOTAL	24587991	100.00

XVI. 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 91.97% of the total equity capital of the company have been dematerialised.

XVII. 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.

XVIII. PLANT LOCATION : VILLAGE SARAKIAN/ ITAYAKALAN DISTT. RAISEN (M.P.)

XIX. 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@owmnahar.com
 Website : www.owmnahar.in

XX. 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, 2011.

XXI. 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
 DATED: 30th JULY, 2011**

**JAWAHAR LAL OSWAL
 (Chairman)**



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The Indian packaging Industry is undergoing changes with the flexible packaging replacing the conventional modes of packaging. Biaxially-Oriented Polypropylene (BOPP) films, a part of the flexible packaging Industry, has emerged as one of the most popular, high growth Industry in the world. BOPP films are used in a variety of applications including flexible packaging, pressure sensitive tape, printing, lamination, stationary, metallising, flower sleeves, cable wrap and insulation. The BOPP films have become popular because of its unique combination of properties such as better shrinkage, stiffness, transparency, sealability, twist retention and barrier.

The Indian BOPP film industry began its journey in 1980 with the capacity of 800 MT per annum which has now increased to 4.15 lakhs MT per annum. The main reasons for the growth of the industry can be attributed to modern format of retailing, high preference for hygienic and convenient packing amongst customers and availability of world class polypropylene grades in India. The Indian BOPP market is growing at the rate of 15 to 20 percent as against the global rate of 7 percent. The Indian BOPP Films industry after meeting the estimated domestic demand of 270 KT is exporting its products to world markets. It has established an edge over the other players in terms of quality and consistency.

As you are aware that having regard to the immense opportunities for BOPP Films, your Company diversified its activities into BOPP Films in 2007. We are pleased to inform you that BOPP Films project with a capacity of 30000 TPA in the State of Madhya Pradesh has been fully implemented and started its operations on 20th May, 2010. The products of the company have been well received in both the domestic and overseas markets.

Opportunities and Threats

India has been an investment hotspot in recent years because of the enormous potential for BOPP film packaging here. It has a population similar in size to that of China but BOPP demand is currently a tenth of it. Moreover the per capita consumption of BOPP Films is still very low as compared to the developed countries like US and European Union. The growth of the organised retail market coupled with entry of global retail players in Indian markets will give further boost to the flexible packaging industry.

Likewise the shift from PET based packaging to BOPP based packaging all over the world, shall give further impetus to the growth of flexible packaging. The converters in India too, are gradually shifting from PET to BOPP. Moreover due to closure of BOPP manufacturing units in Europe, the Indian manufacturers have started supplies to the end consumers in Europe which has enabled the industry to improve its export performance.

Despite the rosy outlook the BOPP Film Industry, it is facing serious challenges from ongoing oversupply and weak pricing which may affect the fortune of the Industry. The recovery in the demand for BOPP Films resulted a

boom in the orders for new BOPP Films lines which may lead to another surge in new capacities in 2011-2012. This will definitely put pressure on the margins of the industry. Besides this the Industry is not immune from normal business threat and challenges.

In spite of the above challenges it is expected that the industry shall continue to operate in the positive environment of global growth because of economic growth in emerging and developing countries, rising standards of food safety and hygiene, growing demand for convenience and packaged foods, cost effective food distribution and preservation and the demands of feeding the world's growing population.

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

Your management expects that the future outlook of the industry is reasonably good as many of the growth drivers of the yester years are still present in the Asian market especially in India and China. This will definitely give a further push to the demand for BOPP. 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. The phenomenal growth of retail segment coupled with economic growth of the country is expected to influence of flexible packaging industry favourably

Risk and Concerns

The Company being essentially a manufacturing company and its main source of income will be from selling of flexible packaging material in plain and materialized form to further converters. Any adverse impact on the operations of the packing converters may impact the company's revenues and its profitability. Besides any increase in raw material prices and decrease in finished product prices may affect the financial performance of the company.

Further we would also like to share with you that the flexible packaging business is prone to the risk of short term over capacity of the produced material, under utilization of the capacities and economic cycle which can affect the fortunes of the company in both ways.

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

In its first year of operations, the company has put up a splendid performance by achieving an operational income of Rs.16653.61 lakhs out of which Rs.582.15 lakhs is export turnover. The company earned a net profit of Rs. 382.05 lakhs. The detailed performance has already been discussed in the Directors report under the column performance 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 178 as on 31st March, 2011.

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
DATED: 30th July, 2011**

**JAWAHAR LAL OSWAL
(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, 2011.

**PLACE : LUDHIANA
DATED: 30th July, 2011**

**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, 2011, 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, 2011 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: 30th July, 2011**

**VINOD KHANNA
(Partner)
M.No. 81585**



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, 2011 and also Profit & Loss Account 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit & Loss Account 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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 Notes on Accounts as per Schedule No. 24, 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, 2011;
- b) In the case of the Profit & Loss Account, 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 : 30.05.2011

VINOD KHANNA
(Partner)
M.No. 81585

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 209(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, 2011 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 : 30.05.2011

VINOD KHANNA
(Partner)
M.No. 81585

**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULE	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT RS.	TOTAL RS.	AMOUNT RS.	TOTAL RS.
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
A) CAPITAL	1	125776643		125776643	
B) RESERVES & SURPLUS	2	<u>1326306906</u>	<u>1452083549</u>	<u>1298965984</u>	<u>1424742627</u>
2. LOAN FUNDS					
SECURED LOANS	3		<u>1432007275</u>		<u>533915700</u>
UN-SECURED LOANS	4		<u>1500000</u>		<u>-</u>
Total			<u>2885590824</u>		<u>1958658327</u>
APPLICATION OF FUNDS					
1. FIXED ASSETS					
GROSS BLOCK		<u>1611386268</u>		<u>20382683</u>	
LESS : DEPRECIATION		<u>125164858</u>		<u>251640</u>	
NET BLOCK	5	<u>1486221410</u>		<u>20131043</u>	
CAPITAL WORK IN PROGRESS	6	<u>25564885</u>		<u>1489643785</u>	
PRE-OPERATIVE EXPS.PENDING					
CAPITALISATION	7	<u>-</u>	<u>1511786295</u>	<u>33639265</u>	<u>1543414093</u>
2. INVESTMENTS	8		<u>951421668</u>		<u>1056417986</u>
3. CURRENT ASSETS, LOANS & ADVANCES					
A) INVENTORIES	9	<u>147497436</u>		<u>12626479</u>	
B) CASH & BANK BALANCES	10	<u>10221856</u>		<u>13861548</u>	
C) SUNDRY DEBTORS	11	<u>162876995</u>		<u>0</u>	
D) LOANS & ADVANCES	12	<u>202109760</u>		<u>276612192</u>	
		<u>522706047</u>		<u>303100219</u>	
LESS : CURRENT LIABILITIES & PROVISIONS					
A) LIABILITIES	13	<u>99062067</u>		<u>934238859</u>	
B) PROVISIONS	14	<u>10001872</u>		<u>10035112</u>	
		<u>109063939</u>		<u>944273971</u>	
NET CURRENT ASSETS			<u>413642108</u>		<u>-641173751</u>
DEFERRED TAX ASSET			<u>8740753</u>		<u>-</u>
Total			<u>2885590824</u>		<u>1958658327</u>
NOTES ON ACCOUNTS	24				

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 : 30.05.2011

VINOD KHANNA
Partner
M NO. 81585

P.K. VASHISHTH
Finance Advisor

DINESH OSWAL
Director

KOMAL JAIN
Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	SCHEDULE	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT RS.	TOTAL RS.	AMOUNT RS.	TOTAL RS.
INCOME					
OPERATING INCOME	15	1665361007		-	
Less: Excise Duty		143361690		-	
		<u>1521999317</u>			
OTHER INCOME	16	<u>46248508</u>	1568247825	<u>43404193</u>	43404193
EXPENDITURE					
COST OF MATERIAL	17	994318074		-	
MANUFACTURING EXPENSES	18	108515903		-	
PERSONNEL EXPENSES	19	34476698		1016128	
FINANCIAL EXPENSES	20	149756071		-	
SELLING EXPENSES	21	114923311		-	
EXCISE DUTY ON CLOSING STOCK		571110		-	
ADMINISTRATIVE EXPENSES	22	8429339		2713747	
OTHER EXPENSES	23	3180197		178600	
DEPRECIATION		<u>124823023</u>	<u>1538993726</u>	-	<u>3908475</u>
PRE-TAX PROFITS			29254099		39495718
ADJUSTMENT OF INCOME TAX FOR EARLIER YEARS			847941		-
PROVISION FOR INCOME TAX :					
- Current Tax			-1500000		-5000000
- Deferred Tax			<u>8740753</u>		-
PROFIT AFTER TAX			37342793		34495718
ADD: BAL. SURPLUS B/F			862448		1401842
BALANCE AVAILABLE FOR APPROPRIATION			<u>38205241</u>		<u>35897560</u>
APPROPRIATIONS :					
PROPOSED DIVIDEND			8605797		8605797
TAX ON DIVIDEND			1396075		1429315
TRANSFERRED TO GENERAL RESERVES			28000000		25000000
APP. TO PROFIT AND LOSS A/C			<u>203369</u>		<u>862448</u>
			38205241		35897560
EARNING PER SHARE - BASIC & DILUTED (NOTE)			1.52		1.40
Face Value Rs. 5/- per share					

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 : 30.05.2011

VINOD KHANNA
Partner
M NO. 81585

P.K. VASHISHTH
Finance Advisor

DINESH OSWAL
Director

KOMAL JAIN
Director

**SCHEDULES TO THE ACCOUNTS**

SCHEDULE NO.	PARTICULARS	CURRENT YEAR AMOUNT RS.	PREVIOUS YEAR AMOUNT RS.
1. SHARE CAPITAL			
A) AUTHORISED			
900,00,000 EQUITY SHARES OF RS.5/- EACH (PREVIOUS YEAR SAME)		<u>450000000</u>	<u>450000000</u>
B) ISSUED SUBSCRIBED & PAID UP			
2,45,87,991 EQUITY SHARES OF RS.5/- EACH FULLY PAID UP (PREVIOUS YEAR SAME)	<u>122939955</u>		122939955
ADD : SHARE FORFEITED ACCOUNT (Amount originally paid up)	<u>2836688</u>	<u>125776643</u>	<u>2836688</u> 125776643
		<u>125776643</u>	<u>125776643</u>
2. RESERVES & SURPLUS			
A) SHARE PREMIUM			
BALANCE AS PER LAST BALANCE SHEET		<u>447800146</u>	447800146
B) GENERAL RESERVE			
BALANCE AS PER LAST BALANCE SHEET	<u>850303390</u>		825303390
ADD : TRANSFERRED FROM PROFIT AND LOSS A/C	<u>28000000</u>	<u>878303390</u>	<u>25000000</u> 850303390
C) SURPLUS			
AS PER PROFIT AND LOSS A/C		<u>203370</u>	862448
		<u>1326306906</u>	<u>1298965984</u>
3. SECURED LOANS			
A) TERM LOAN			
I. FROM ORIENTAL BANK OF COMMERCE		<u>862649000</u>	107809000
II. FROM BANK OF MAHARASHTRA		<u>442745200</u>	<u>426106700</u>
WORKING CAPITAL LOANS			
III. FROM ORIENTAL BANK OF COMMERCE		<u>86792774</u>	-
IV. FROM BANK OF MAHARASHTRA		<u>39820301</u>	-
TOTAL		<u>1432007275</u>	<u>533915700</u>
1. 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.			
2. Working capital facilities under consortium arrangement are secured by way of first pari pasu charge on Current Assets of the company and second pari pasu charge on fixed assets of the company including equitable mortgage of factory land and building.			
4. UNSECURED LOANS			
- From Body Corporates		<u>1500000</u>	-
		<u>1500000</u>	-


5. FIXED ASSETS FOR THE YEAR 2010-2011

NAME OF THE ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	COST AS ON 01.04.2010	ADDITION DURING THE YEAR 2010-11	SALE/ ADJUSTMENT DURING THE YEAR	COST AS ON 31.03.2011	BALANCE AS ON 1.4.2010	ADDITION DURING THE YEAR 2010-11	WRITTEN BACK DURING THE YEAR	TOTAL AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
LAND AND BUILDING										
LAND	17653165	0	0	17653165	0	0	0	0	17653165	17653165
BUILDING	0	199692716	0	199692716	0	5774349	0	5774349	193918367	0
SUB TOTAL (A)	17653165	199692716	0	217345881	0	5774349	0	5774349	211571532	17653165
PLANT & MACHINERY										
MACHINERY	0	1385937762	364432	1385573330	0	118251020	7795	118243225	1267330105	0
VEHICLES	1238160	2550023	0	3788183	16023	219799	0	235822	3552361	1222137
OTHER EQUIPMENTS	1058544	2374190	0	3432734	77621	441963	0	519584	2913149	980923
SUB TOTAL (B)	2296704	1390861975	364432	1392794247	93644	118912782	7795	118998631	1273795615	2203060
FURNITURE & FIXTURES (C)	432814	397346	0	830160	157996	150686	0	308682	521479	274818
INTANGIBLE ASSETS (D)										
- SOFTWARE	0	415981	0	415981	0	83197	0	83197	332784	0
TOTAL (A+B+C+D)	20382683	1591368018	364432	1611386268	251640	124921014	7795	125164859	1486221410	20131043
PREVIOUS YEAR	14143390	6239293	0	20382683	0	251640	0	251640	20131043	14143390

Note : Depreciation for the year includes Rs. 97,991/- (Previous Year 2,51,640/-) which has been charged to pre-operative expenses.

SCHEDULE NO.	PARTICULARS	CURRENT YEAR AMOUNT RS.	PREVIOUS YEAR AMOUNT RS.
6. CAPITAL WORK IN PROGRESS			
	BUILDING UNDER CONSTRUCTION	25392997	178037106
	MACHINERY & EQUIPMENT UNDER INSTALLATION / IN TRANSIT	-	1291981407
	ADVANCES ON CAPITAL ACCOUNT	171888	19625271
		25564885	1489643784
7. PRE OPERATIVE EXPENSES (PENDING CAPITALISATION)			
	Employment Cost	-	8814160
	Administrative Expenses	-	1215227
	Depreciation	-	251640
	Electricity, Power & Fuel Expenses	-	1999323
	Bank Charges	-	4011431
	Insurance Charges	-	562839
	Interest on Term Loan	-	21228998
	Legal & Professional Charges	-	350042
	Other Expenses	-	394936
	Profit on Purchase of DEPB	-	(5705363)
	Fess & Taxes	-	516033
		-	33639265



SCHEDULE NO.	PARTICULARS	CURRENT YEAR AMOUNT RS.	PREVIOUS YEAR AMOUNT RS.
8. INVESTMENTS			
	LONG TERM INVESTMENT (AT COST) - OTHERS		
	Quoted		
1)	6611332 Equity Shares of Rs. 5/- each (P.Y. Same) of M/s. Nahar Capital & Financial Services Ltd.	367304055	367304055
2)	25000 Equity Shares of Rs. 10/- each (P.Y. same) of IDFC Ltd.	850000	850000
3)	6611332 Equity Shares of Rs. 5/- each (P.Y. Same) of M/s. Nahar Spinning Mills Ltd.	367304055	367304055
4)	2708800 Equity shares of Rs. 10/- each (P.Y. Same) of Nahar Industrial Enterprises Limited	215000830	215000830
5)	Nil Units of Rs. 10/- each of (P.Y. 1500000) Sundram BNP Paribas Select Small Cap. Dividend Option	-	15000000
6)	Nil Units of Rs. 10/- each (P.Y. 1000000) of Fidelity India Special Situations Fund - Growth	-	10225000
7)	Nil Units of Rs. 10/- each of (P.Y. 1000000) Franklin Templeton Fixed Tenure Fund - S-2 -Growth	-	10000000
8)	Nil Units of Rs. 10/- each of (P.Y. 323279.03) HDFC High interest Fund - Growth	-	9900000
9)	Nil Units of Rs. 10/- each of (P.Y.327120.25) ICICI Prudential Income Plan-Institutional - Growth	-	9900000
10)	Nil Units of Rs. 10/- each of (P.Y. 434113.42) IDFC Super Saver Income Fund - Investment Plan A Regular - Growth	-	9900000
11)	Nil Units of Rs. 10/- each of (P.Y. 3610679.182) SBI Magnum Income Fund - Dividend	-	40071318
	Unquoted		
1)	655 Equity Shares of Rs. 100/- each (P.Y. Same) of Palm Motels Ltd.	962728	962728
		951421668	1056417986
	AGREEGATE AMOUNT OF		
	Quoted Investments : At Cost	950458940	1055455258
	: At Market Value	1274772993	1286955803
	Unquoted Investments :	962728	962728
9. INVENTORIES			
	(As valued & certified by the management)		
	RAW MATERIALS	73857824	12626479
	WORK IN PROCESS	49043340	-
	INVENTORY-WASTE/SCRAP MATERIAL	3692340	-
	FINISHED GOODS	8521380	-
	STORES & SPARES	12382552	-
		147497436	12626479
10. CASH & BANK BALANCES			
i)	Cash In Hand	236066	106450
ii)	WITH SCHEDULED BANKS		
a)	IN CURRENT ACCOUNTS	1115852	2805142
b)	IN FIXED DEPOSITS	125000	125000
c)	IN DIVIDEND ACCOUNTS	8744938	10824956
		9985790	13861548
		10221856	
11. SUNDERY DEBTORS			
	(Unsecured Considered Good Unless Otherwise Stated)		
	Debts Outstanding for a period Exceeding Six Months	986873	-
	Other Debts	161890122	-
		162876995	-



SCHEDULE NO.	PARTICULARS	CURRENT YEAR AMOUNT RS.	PREVIOUS YEAR AMOUNT RS.
12	LOANS AND ADVANCES		
	(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
a)	LOAN / DEPOSITS WITH OTHER BODIES CORPORATE	-	99280000
b)	ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED		
i.	MODVAT / CENVAT CREDIT UNUTILISED	163450743	163174944
ii.	OTHERS	29488760	11542004
c)	ADVANCE TAXES (Net of Provisions)	192939503	2615244
		<u>9170257</u>	<u>276612192</u>
		<u>202109760</u>	<u>276612192</u>
13.	CURRENT LIABILITIES		
	SUNDRY CREDITORS (Refer note no. 12 regarding information on Micro, Small & Medium Enterprises)	44927951	914290947
	ADVANCE FROM CUSTOMERS	18785121	0
	TAX DEDUCTED AT SOURCE PAYABLE	1042251	530507
	STATUTORY LIABILITIES	1734163	558520
	OTHER LIABILITIES	23585583	7518819
	SECURITY DEPOSITS	129104	124554
	DUE TO DIRECTORS	111300	72399
	UNCLAIMED DIVIDEND	8746594	11143113
		<u>99062067</u>	<u>934238859</u>
14.	PROVISIONS		
	PROPOSED DIVIDEND	8605797	8605797
	TAX ON PROPOSED DIVIDEND	1396075	1429315
		<u>10001872</u>	<u>10035112</u>
15.	OPERATING INCOME		
	EXPORT SALES	58215280	-
	DOMESTIC SALES	1604342655	-
	EXPORT INCENTIVES	2803072	-
		<u>1665361007</u>	<u>-</u>
16.	OTHER INCOME		
	DIVIDEND INCOME	22600217	10085627
	INTEREST GROSS (TAX DEDUCTED AT SOURCE RS.124292/-)		
	PREVIOUS YEAR RS.1696292/-)	1251970	10203119
	PROFIT ON SALE OF INVESTMENTS	22060636	23115428
	PROFIT ON SALE OF FIXED ASSETS	1380	-
	MISC RECEIPTS	229293	19
	EXCHANGE RATE DIFF	105012	-
		<u>46248508</u>	<u>43404193</u>
17.	COST OF MATERIAL		
	OPENING STOCK		
	RAW MATERIAL	12626479	-
	WORK IN PROCESS	-	-
	FINISHED GOODS	-	-
	ADD PURCHASES	<u>12626479</u>	<u>-</u>
		1116806479	-
	LESS: CLOSING STOCKS		
	RAW MATERIAL	73857824	-
	WORK IN PROCESS	49043340	-
	FINISHED GOODS	12213720	-
		<u>135114884</u>	<u>-</u>
		<u>994318074</u>	<u>-</u>
18.	MANUFACTURING EXPENSES		
	POWER AND FUEL	99543456	-
	DYES & CHEMICALS	212359	-
	MACHINERY REPAIR AND MAINTENANCE	4741630	-
	OTHER MANUFACTURING EXPENSES	4018458	-
		<u>108515903</u>	<u>-</u>



SCHEDULE NO.	PARTICULARS	CURRENT YEAR AMOUNT RS.	PREVIOUS YEAR AMOUNT RS.
19. PERSONNEL EXPENSES			
	SALARY WAGES AND BONUS	29368513	780475
	CONTRIBUTION TO PF,ESI, GROUP INSURANCE & GRATUITY	4104562	188909
	EMPLOYEES WELFARE EXP.	1003623	46744
		<u>34476698</u>	<u>1016128</u>
20. FINANCIAL EXPENSES			
	BANK COMMISSION	1426528	-
	INTEREST TO OTHERS	9066560	-
	INTEREST TO BANK		
	- INTEREST ON TERM LOANS	137934211	-
	- INTEREST ON WORKING CAPITAL LOANS	1328772	-
		<u>149756071</u>	<u>-</u>
21 SELLING EXPENSES			
	ADVERTISEMENT	4372	-
	BROKERAGE/COMMISSION ON SALE	6539240	-
	EXPORT DEVELOPMENT AND SALE PROMOTION	100586	-
	FORWARDING CHARGES	75941796	-
	FOREIGN TRAVELLING EXPENSES		
	OTHERS	366677	-
	REBATE & DISCOUNT	31970640	-
		<u>114923311</u>	<u>-</u>
22. ADMINISTRATIVE EXPENSES			
	VEHICLE MAINTENANCE	1057977	161909
	CONVEYANCE	427456	45950
	RENT	145596	120000
	FEES AND TAXES	280915	95859
	INSURANCE	994394	-
	LEGAL AND PROFESSIONAL EXPENSES	438141	112403
	PRINTING AND STATIONERY	395016	226330
	POSTAGE AND TELEGRAPH	461120	409572
	MISCELLANEOUS EXPENSES	561580	552
	DIRECTORS SITTING FEES	265000	86000
	TRAVELLING EXPENSES		
	DIRECTORS	2868	
	OTHERS	1024203	
	AUDITORS REMUNERATION		
	AUDIT FEES	165450	25480
	TAX AUDIT FEES	9927	9265
	CERTIFICATION CHARGES	3536	4193
	OTHER EXPENSES	1440	-
	TELEPHONE EXPENSES	711152	50106
	SHARE DEPARTMENT EXP	245123	251013
	DIRECTORS REMUNERATION	1238445	1115116
		<u>8429339</u>	<u>2713747</u>
23. OTHER EXPENSES			
	BUILDING REPAIR & MAINTENANCE	246764	-
	GENERAL REPAIR & MAINTENANCE	844803	-
	LOSS ON SALE OF INVESTMENTS	1595099	-
	LOSS ON SALE OF FIXED ASSETS	8730	-
	AMOUNT WRITTEN OFF	3575	-
	PREVIOUS YEAR EXPENSES	24873	-
	SECURITY TRANSACTION TAX	98731	178600
	HORICULTURAL EXP	357622	-
		<u>3180197</u>	<u>178600</u>

**24. NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

A. CONTINGENT LIABILITIES NOT PROVIDED FOR:	Current Year	Previous Year
	Rs.	Rs.
a) Estimated amount of contracts to be executed on capital account (net of advances)	Nil	4,24,33,373/-
b) Bank Guarantees (Net of Margin Money)	Nil	Nil
c) Letters of Credit outstanding in favour of Suppliers of goods (Net of advance)	1,16,68,258/-	9,566,191/-
d) The Company has given guarantee aggregating to Rs. NIL (P.Y. Rs. 25.00 crores) to financial institutions on behalf of others.		

B. NOTES ON ACCOUNTS & ACCOUNTING POLICIES:**1. SIGNIFICANT 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

In respect of new unit, the expenditure incurred during construction period up to the date of balance sheet is shown as under installation / pre-operative expenses, pending capitalization of fixed assets.

**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) 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.

xii) 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.

xiii) 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.

xiv) 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.

xv) 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 reduced from the cost of the asset.



xvi) 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.

2. NOTES ON ACCOUNTS:

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 courses 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. Previous year figures have been regrouped and rearranged.
7. Borrowing cost amounting to Rs.145.93 Lacs (Previous year Rs.212.29 Lacs) has been capitalized during the year.
8. Some balances of Sundry Creditors, Advances and Sundry Debtors are subject to their confirmation.
9. 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:

(Rs. in Lacs)

Particulars	*Associates		Key Mangement Personnel & their Relatives	
	Current Year	Previous Year	Current Year	Previous Year
1. Inter Corporate Loans Advanced	231.94	1525.80	---	---
2. Inter Corporate Loans Received back	1224.74	1160.55	---	---
3. Inter Corporate Deposits Received	1925.70	---	---	---
4. Inter Corporate Deposits repaid back	1910.70	---	---	---
5. Interest Received	12.43	77.73	---	---
6. Interest Paid	90.67	---	---	---
7. Fixed Assets Purchased	0.34	47.72	---	---
8. F.O. Purchased	27.94	---	---	---
9. Generator Expenses	10.78	---	---	---
10. Fixed Assets Sold	1.19	---	---	---
11. Misc.Sales	0.07	---	---	---
12. Directors Sitting Fee	---	---	0.70	0.22
13. Directors Remuneration	---	---	12.38	11.15



14. Rent Paid	1.46	1.20	---	---
15. DEPB Purchased	179.23	1125.48	---	---
16. Balance as on 31.03.2010				
i) Debtors/Receivables	---	990.38	---	---
ii) Crs./Payable	127.83	---	---	---

***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

NOTE : Associates includes the Companies in which the key Management Personnel or their relatives have significant influence, also includes enterprises with whom no transaction has taken place during the period.

10. 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 (Amount in Lacs)	Previous Year (Amount in Lacs)
BASIC AND DILUTED		
Earning per share has been computed as under :		
BASIC		
a) Profit after Taxation	373.43	344.96
b) Number of weighted average shares outstanding	24587991	24587991
c) Earning per share (face value Rs. 5/- per share)	1.52	1.40
DILUTED		
a) Profit after Taxation	373.43	344.96
b) Number of weighted average shares outstanding	24587991	24587991
c) Earning per share (face value Rs. 5/- per share)	1.52	1.40

11. Deferred Tax Liability as per Accounting Standard 22 of the Institute of Chartered Accountants of India, is as under:

Particulars	Current Year	Previous Year
Deferred Tax Liability		
Timing difference on account of Depreciation, change in rate of Tax etc.	1228.55	Nil
Deferred Tax Assets		
Timing Difference on account of c/f of unabsorbed depreciation	1310.18	Nil
Timing Difference on account of Allowances under section 43B	5.78	Nil
NET	87.41	

12. 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.



13. Computation of Net Profit under section 198 read with Section 349 of the Companies Act, 1956, for the purpose of remuneration payable to Executive Director are given below:

Particulars	Amount (Rs.)
Net Profits before taxation	2,92,54,099
Add: Managerial Remuneration	12,38,445
Add: Loss on Sale of Fixed Assets	8,730
	<u>3,05,01,274</u>
Less: Profit on Sale of Fixed Assets	1,380
Net Profits u/s 349 of the Companies Act, 1956	<u>3,04,99,894</u>
Managerial Remuneration u/s 309 of the Companies Act, 1956	
Maximum Payable @ 5% of the above	15,24,995

Remuneration paid to Executive Director	
Salary	8,40,000
Bonus	8,400
House Rent Allowance	2,34,000
Leave With Wages	15,750
Company's contribution to Provident Fund	93,600
Other Perquisites	46,695
	<u>12,38,445</u>

14. The employee's gratuity fund scheme is managed by LIC. The following tables set out the funded status of the gratuity plan recognized as per the company's financial statement as at 31.03.2011

	(Amount in Rs)
1. Assumptions	As on 31.03.2011
Discount Rate	8.0%.
Salary Escalation	7.0%
Mortality Table (LIC)	1994-96 (Ultimate)
2. Reconciliation of Opening and Closing balances of defined benefit obligation:	
Present value of obligations as at beginning of year	904259
Interest Cost	72341
Current Service Cost	383408
Benefit Paid	(16817)
Actuarial (gain)/Loss on obligations	993641
Present Value of obligations as at end of year	2336832
3. Reconciliation of opening and closing balances of fair value of plan assets:	
Fair value of plan assets at beginning of year	988222
Returns on plan assets	88264
Contributions	1361126
Benefit Paid	(16817)
Actuarial Gain/(Loss) of Plan Assets	-
Fair Value of plan assets at the end of year	2420795
4. Reconciliation of fair value of assets and obligations:	
Present value of obligations as at the end of year	2336832
Fair Value of plan assets at the end of year	2420795
Net Assets/(liability) recognized in the Balance Sheet	(83963)
5. Expenses Recognized in statement of Profit & Loss	
Current Service Cost	383408
Interest Cost	72341
Expected return on plan asset	(88264)
Net Actuarial (gain)/loss recognised in the year	993641
Expenses Recognised in statement of profit and loss	1361126


15. ADDITIONAL INFORMATION AS REQUIRED UNDER PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR		
	UNIT	QUANTITY	VALUE(RS.)	QUANTITY	VALUE(RS.)
I. TURNOVER					
EXPORT SALE					
- DIRECT EXPORT BOPP FILM	Kgs.	549164	58215280	---	---
- DEEMED EXPORT BOPP FILM	Kgs.	655774	67302923	---	---
LOCAL SALES					
- BOPP FILM	Kgs.	12232996	1488655821	---	---
- BOPP other (Incl. Waste)	Kgs.	703245	45113314	---	---
Others (Misc. Scrap)		---	3270597	---	---
		<u>14141179</u>	<u>1662557935</u>	---	---
* THE ABOVE FIGURES DOES NOT INCLUDES SAMPLES QUANTITY OF 159.10 KG					
II. RAW MATERIAL CONSUMED					
- BOPP GRANUALS & ADDITIVES	Kgs.	15085335	1055575134	---	---
III. TRADING GOODS PURCHASED					
			---	---	---
IV. GROSS INCOME DERIVED FROM SERVICES RENDERED					
V. VALUE OF STORES, SPARE PARTS AND COMPONENTS CONSUMED					
- STORES & SPARE PARTS CONSUMED			85177506	---	---
VI. OPENING AND CLOSING STOCK OF GOODS PRODUCED AND TRADED IN					
				NIL	NIL
Opening Stock					
BOPP Films	Kgs.	---	---	---	---
Waste	Kgs.	---	---	---	---
Closing Stock					
BOPP Films	Kgs.	90566	8521380	---	---
Waste	Kgs.	70565	3692340	---	---
VII. LICENCED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION					
a) LICENCED CAPACITY	tpa	30000		---	---
b) INSTALLED CAPACITY	tpa	30000		---	---
c) ACTUAL PRODUCTION	MT	13528		---	---
VIII. C.I.F. VALUE OF IMPORTS					
Capital Goods			5927619		1013877483
Stores & Spares			4763439		---
Raw Material			75404316		11444071
IX. EXPENDITURE IN FOREIGN CURRENCY (Value Rs.)					
Travelling			178025		20000
X. EARNING IN FOREIGN EXCHANGE (Value Rs.)					
- F.O.B. Value of Exports			55831754		
XI. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES, SPARE PARTS AND COMPONENTS CONSUMED AND PERCENTAGE THERE OF					
PARTICULARS	Value and Percentage of Imported Raw Material, Stores, Spare Parts & Components Consumed		Value and Percentage of indigenous Raw Material, Stores, Spare Parts & Components Consumed		
	Current Year	Previous Year	Current Year	Previous Year	
i) Raw Material (Value in Rs.)	72475771	--	983099363	--	
Percentage	6.87%		93.13%		
ii) Spare parts, Stores and Components consumed (Value in Rs.)	3551955	--	81625551	--	
Percentage	4.17%		95.83%		


**16. The Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 :
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details																		
Registration No.					0	8	8	2	0	State Code					1	6		
	3	1	-	0	3	-	1	1										
	Date		Month			Year												
II. Capital Raised During the Year (Amount in Rs. Thousands)																		
Public Issue							N	I	L	Right Issue					N	I	L	
Bonus Issue							N	I	L	Private Placement					N	I	L	
III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)																		
Total Liabilities		2	9	9	4	6	5	5	Total Assets		2	9	9	4	6	5	5	
Sources of Funds																		
Paid up Capital			1	2	5	7	7	7	Reserve & Surplus		1	3	2	6	3	0	7	
Secured Loans		1	4	3	2	0	0	7	Unsecured Loans				1	5	0	0		
Deferred Tax (Net)				-	8	7	4	1										
Application of Funds																		
Net Fixed Assets			1	5	1	1	7	8	7	Investments			9	5	1	4	2	2
Net Current Assets				4	1	3	6	4	2	Misc. Expenditure						N	I	L
Accumulated Losses							N	I	L									
IV. Performance of Company (Amount in Rs. Thousand)																		
Turnover & Including Other Income			1	5	6	8	2	4	8	Total Expenditure		1	5	3	8	9	9	4
Profit Before Tax				+	2	9	2	5	4	Profit After Tax			+	3	7	3	4	3
Earning Per Share (Rs.)					0	1	.	5	2	Dividend Rate				7	.	0	0	
V. Generic Name of three Principal Products/Services of Company (As per Monetary Terms)																		
Item Code No. (ITC Code)	3	9	2	0	.	2	0	.	2	0								
Product Description	BOPP FILMS, FLEXIBLE, PLAIN																	
Item Code No. (ITC Code)	3	9	2	0	.	2	0	.	9	0								
Product Description	BOPP FILMS METALIZED																	
Item Code No. (ITC Code)																		
Product Description																		

17. Schedule 1 to 24 form an integral part of Balance Sheet and Profit & Loss Account and have been duly authenticated.

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 : 30.05.2011

VINOD KHANNA
Partner
M NO. 81585

P.K. VASHISHTH
Finance Advisor

DINESH OSWAL
Director

KOMAL JAIN
Director

**CASH FLOW STATEMENT FOR THE PERIOD FROM 1ST APRIL, 2010 TO 31ST MARCH, 2011 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

(Rs. in lacs)

A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit before Tax and Extraordinary items	292.54	
Adjustments for: -		
Depreciation	1,248.23	
Interest Expenditure	1,483.30	
Interest Received	(12.52)	
Dividend	(226.00)	
(Profit)/Loss on Sale of Investments	(204.66)	
(Profit)/Loss on sale of Fixed Assets	0.07	
Operating profit before Working Capital changes		2,580.96
Adjustments for :		
(Increase)/Decrease in Trade & Other Receivables	(1,628.77)	
(Increase)/Decrease in Inventories	(1,348.71)	
(Increase)/Decrease in Loans & Advances	810.57	
Increase/(Decrease) in Trade Payables & Others Liabilities	(8,351.77)	
Increase/(Decrease) in Working Capital Bank Borrowing	1,266.13	(9,252.55)
Cash generation from operating activities		(6,671.59)
Interest Paid		(103.95)
Taxes Paid		(72.07)
Net cash from operating activities		(6,847.61)

B CASH FLOW FROM THE INVESTING ACTIVITIES

Income from Investments	204.66	
Interest Received	12.52	
Dividend Received	226.00	
Purchase of Fixed Assets (incl Capital work in process, capital advances, & exp pending for capitalisation)	(935.52)	
Sale of Fixed Assets	3.49	
Increase in Investments	-	
Sale of Investments	1,049.96	561.11

C CASH FLOW FROM FINANCING ACTIVITIES

Increase/Decrease in Share Capital/Reserve	-	
Share Premium	-	
Proceeds from Long Term Borrowings	8,585.07	
Repayment of Long Term Borrowings	(870.28)	
Increase (Decrease) in Unsecured Loans	15.00	
Interest Paid	(1,379.34)	
Dividend Paid (including Corporate Dividend Tax)	(100.35)	6,250.10
Net Increase in Cash and Cash Equivalent		(36.40)
Cash & cash equivalents as on 31/03/2010		138.62
Cash & cash equivalents as on 31/03/2011		102.22

FOR & ON BEHALF OF THE BOARD

Place : Ludhiana
Date : 30.05.2011P.K. VASHISHTH
Finance AdvisorDINESH OSWAL
DirectorKOMAL JAIN
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, 2011 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 001393NPlace : Ludhiana
Date : 30.05.2011**VINOD KHANNA**
Partner
M.No. 81585

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 23rd Annual General Meeting of the Company to be held on Tuesday, the 20th September, 2011 at 10.30 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.....2011.

(Date)

(Month)

Ledger Folio No.

Client I.D. No.

D.P.I.D. No.

Signature

Affix
Revenue
Stamp of
Rs. 1/-

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.

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 23rd Annual General Meeting of the Company to be held on Tuesday, the 20th September, 2011 at 10.30 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