



The Nahar Group

14TH ANNUAL REPORT 2019



Nahar

Capital and Financial Services Ltd.

BOARD OF DIRECTORS

Mr. Jawahar Lal Oswal

Mr. Dinesh Oswal

Mr. Kamal Oswal

Mr. Dinesh Gogna

Mr. Satish Kumar Sharma

Dr. Manisha Gupta

Prof. Kanwar Sain Maini

Dr. Suresh Kumar Singla

Dr. Vijay Asdhir

Dr. Amrik Singh Sohi

Chairman

Managing Director

Director

Director

Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

CHIEF FINANCIAL OFFICER

Mr. Hans Raj Kapoor

COMPANY SECRETARY

Mrs. Anjali Modgil

REGISTERED OFFICE

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

BANKERS

ICICI Bank Limited
HDFC Bank Limited

AUDITORS

M/s YAPL & Co.
Chartered Accountants
102-Kismat Complex
G.T. Road, Miller Ganj,
Ludhiana-141003

14TH ANNUAL GENERAL MEETING

Day : Monday

Date : 30th September, 2019

Time : 12.00 Noon

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

CONTENTS

PAGE NO.

NOTICE	1
DIRECTORS' REPORT	9
CORPORATE GOVERNANCE REPORT	23
MANAGEMENT DISCUSSION & ANALYSIS	38
INDEPENDENT AUDITORS' REPORT	41
STANDALONE FINANCIAL STATEMENTS	46
CONSOLIDATED INDEPENDENT AUDITORS' REPORT	89
CONSOLIDATED FINANCIAL STATEMENTS	92
BALLOT FORM	139



NOTICE

NOTICE IS HEREBY GIVEN THAT THE **14TH ANNUAL GENERAL MEETING** of the members of **NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED** will be held on **Monday, the 30th day of September, 2019 at 12.00 Noon** at the premises of M/s Nahar Industrial Enterprises Limited, Focal point, Ludhiana to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1 - ADOPTION OF FINANCIAL STATEMENTS

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

ITEM NO. 2 - DECLARATION OF DIVIDEND

To declare dividend @30% i.e. Rs. 1.50 per equity share of Rs. 5/- each for the year ended 31st March, 2019.

ITEM NO: 3 - APPOINTMENT OF MR. DINESH GOGNA AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a Director in place of Mr. Dinesh Gogna (DIN: 00498670), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO: 4 - APPOINTMENT OF MR. SATISH KUMAR SHARMA AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Satish Kumar Sharma (DIN: 00402712), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM NO. 5 - TO APPROVE THE PAYMENT OF MINIMUM REMUNERATION TO MR. DINESH OSWAL, MANAGING DIRECTOR, IN CASE OF NO PROFITS OR INADEQUACY OF PROFITS.

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

"RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, consent and approval of the members of the Company, be and is hereby accorded for the payment of Remuneration to Mr.

Dinesh Oswal, Managing Director of the Company (DIN: 00607290) as approved by the Shareholders vide their Special Resolution dated 30th September, 2016, as minimum remuneration in case of no profits or inadequacy of profits in any financial year during the period of two years commencing from January 1, 2020 till the expiry of his current term i.e. upto December 31, 2021 as detailed hereunder:

A. Salary (Scale): Rs. 26,00,000-2,00,000-28,00,000 per month.

B. Perquisites: Following perquisites shall be allowed in addition to salary:

1. **Medical Reimbursement:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year.
2. **Leave Travel Concession:** Leave Travel Concession for self and family once in a year incurred by him.
3. **Club Fees:** Fees of club subject to a maximum of two clubs including Admission Fees and Life Membership Fees.
4. **Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 10,000/-.
5. **Provident Fund and Super-annuation Fund:** Contribution to Provident Fund, Super-annuation Fund or Annuity Fund in accordance with the rules specified by the Company.
6. **Gratuity:** Gratuity payable shall not exceed half month's salary for each completed year of service.
7. **Leave Encashment:** Encashment of leave at the end of the tenure, as per rules of the Company.
8. **Car and Telephone:** Free use of Company's car with Driver for official work and telephone at residence."
Note: For the purpose of perquisites stated herein above, family means the spouse, the dependent children and dependent parents of the appointee."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and are hereby authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

BY ORDER OF THE BOARD

ANJALI MODGIL

DATE: 13TH AUGUST, 2019 (COMPANY SECRETARY)

Regd. Office:

375, Industrial Area-A, Ludhiana-141003

CIN: L45202PB2006PLC029968

E-mail: secncfs@owmnaahar.com



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this Notice.
4. A Route Map to reach the venue of the Annual General Meeting, including prominent land mark for easy location, has been provided at the end of the Annual Report.
5. The Register of Members and Share Transfer Register of the Company shall remain closed from 14th September, 2019 to 17th September, 2019 (both days inclusive) for the purpose of equity dividend for the year ended 31st March, 2019.
6. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members, whose names shall appear in Register of Members as on 13th September, 2019 or Register of Beneficial Owners, maintained by the Depositories at the close of 13th September, 2019.
7. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividend upto the financial year 2010-11 has been transferred to Investor Education and Protection Fund. Further, unpaid dividend for the year 2011-12 is to be transferred to Investor Education and Protection Fund in November, 2019. Shareholders who have not encashed their dividend warrants relating to said period are requested to claim the amount from the Company at the earliest.
8. Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the shares in respect of which dividend was remained unclaimed or unpaid for a period of seven consecutive years or more to the demat account of IEPF Authority as per applicable Rules. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: http://www.owmnahar.com/nahar_cf/transfer-of-equity-shares-to-IEPF.php. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
9. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members / investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority.
10. In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Dinesh Gogna and Mr. Satish Kumar Sharma, Non Executive Directors, retire by rotation at this Meeting and offered themselves for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments.
11. The SEBI vide its Gazetted Notification June 08, 2018 amended the Regulation 40 (1) (b) of SEBI (LODR) Regulations, 2015 whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with the Depository.

In view of the above, members are hereby informed that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a Depository. Hence all members who are holding equity shares in physical form are requested to go in for dematerialization of shares at the earliest.
12. The Company provides the facility of paying dividend through Electronics Clearing System (ECS). The



- members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details alongwith 9 digit MICR code of their Bank is updated in the records of the Depository Participant (DP). Members, who hold the shares in physical form, should contact the Registrar & Transfer Agent or the Company in this regard. In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details to their DP in case of electronic holding and to the Registrar & Transfer Agent or the Company in case of physical holding.
13. The documents referred to in Explanatory Statement are open for inspection at the Registered Office of the Company on any working day (except Saturday and Holiday) between 10:00 A.M. to 12:00 Noon upto the date of Annual General Meeting.
 14. Shareholders are requested to update their e-mail address with their Depository Participants/Company for sending communications electronically.
 15. Electronic copy of the Annual Report for the year 2018-2019 is being sent to all the members whose email Ids are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
 16. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
 17. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.
 18. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
 19. The information required to be provided under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Directors who are proposed to be re-appointed, is given hereto and form part of the Notice.
 20. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) and Bank Details by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are requested to submit their self attested copy of PAN card bank details alongwith Original cancelled cheque leaf/attested bank passbook showing name of account holder and address, to the Company's Registered Office at 375, Industrial Area-A, Ludhiana - 141003 / Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited, Unit: Nahar Capital and Financial Services Limited, Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110055.
 21. The Register under Section 189 (4) of the Companies Act, 2013 shall be produced at the commencement of the Meeting and shall remain open and accessible during the continuance of the Meeting.
 22. In compliance with provision of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility to members for voting by electronic means and the business contained in this Notice shall be transacted through such voting. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electronically.
 23. Notice of the 14th Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website i.e. www.ownahar.com. The above said Notice will also be available on the website of CDSL i.e. www.cdslindia.com.
 24. The facility for e-voting via ballot or polling paper shall also be made available at the meeting and the members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right at the meeting.
 25. The members who have casted their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 26. Instructions for shareholders voting through electronic mode are as under:**
- (i) The voting period begins on 27th September, 2019 (9:00 a.m.) and ends on 29th September, 2019 (5:00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2019, may cast their vote electronically. The e-voting module shall be disabled by



CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) **Click on the EVSN for NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED i.e. 190812012 to vote.**
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and**



the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non-Individual Shareholders and Custodian**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date 23rd September, 2019 may follow the same instructions as mentioned above for e-Voting.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxiii) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:

Mrs. Anjali Modgil
Company Secretary and Compliance Officer
375, Industrial Area-A, Ludhiana - 141003
0161-5205700
secncfs@owmnahar.com

Other instructions:

27. Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut off date.
28. Mr. P.S. Bathla, Practising Company Secretary (Membership No. FCS 4391), will act as a Scrutinizer

to the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process).

29. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favor or against, if any, forthwith to the Chairman of the Company.
30. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.owmnahar.com and on the website of CDSL i.e. www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
31. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 14th Annual General Meeting i.e. 30th September, 2019.
32. A person who is not a Member as on the cut off date i.e. 23rd September, 2019 should treat this Notice for information purposes only.

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

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

ITEM NO. 5

The Shareholders at their Meeting held on 30th September, 2016 by way of Special Resolution approved the re-appointment of Mr. Dinesh Oswal as Managing Director of the Company for a period of five years w.e.f. 1st January, 2017 at remuneration specified in the Resolution and approved by them at their above said Meeting.

However, due to expected inadequacy of profits, the Company made an application to the Central Government, Ministry of Corporate Affairs under Section 197 of the Companies Act, 2013 seeking approval for payment of remuneration to Mr. Dinesh Oswal as approved by Shareholders. The Central Government, Ministry of Corporate Affairs, vide their letter SRN G41287038/2017-CL.VII dated 26th December, 2017 gave the approval for payment of remuneration to Mr. Dinesh Oswal, Managing Director for three financial years commencing from 1st January, 2017 upto 31st December, 2019. The total remuneration as mentioned in the Central Government's



letter dated 26th December, 2017 was subject to the approval of the company in General Meeting as required by Section 197 (1) of the Companies Act, 2013. Accordingly, the shareholders in their Meeting held on 28th September, 2018 approved the payment of remuneration to Mr. Dinesh Oswal, Managing Director for three financial years commencing from 1st January, 2017 upto 31st December, 2019 as mentioned in the Central Government's Letter.

However, in the current year, it is expected that Company's profitability will not be sufficient to pay the remuneration to the Managing Director as per the shareholder's approval vide their Special Resolution dated 30th September, 2016. Pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 which has become effective since September 12, 2018, in case of no profits or inadequate profits as calculated under section 198 of the Act, the Company may pay remuneration to the managerial person in excess of the ceiling limits as specified in the Schedule V subject to the approval of shareholders by way of Special resolution.

Having regard to above, the Board on the recommendation of Nomination and Remuneration Committee hereby seeks your approval for payment of Remuneration to Mr. Dinesh Oswal as already approved by Shareholders on 30th September, 2016 vide Special Resolution as Minimum Remuneration for two years commencing from January 1, 2020 till the expiry of his current term i.e. upto December 31, 2021.

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

Mr. Dinesh Oswal may be deemed to be concerned or interested in the aforesaid resolution. Mr. Jawahar Lal Oswal (Chairman) and Mr. Kamal Oswal (Director), being relatives of Mr. Dinesh Oswal may be deemed to be concerned or interested in the said resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

(1) Nature of Industry

The Company is mainly engaged in Investment and Financial activities. The Company is also doing real estate activities.

(2) Date or expected date of commencement of commercial production

The Company was incorporated on 31st March, 2006 and is working since then.

(3) In case of new companies expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus.

Not Applicable

(4) Financial performance based on the given indicators (Rs. in Lakhs)

	FY 2018-19	FY 2017-18
Gross Revenue	2516.77	3022.14
Profit before Tax	1494.07	2342.98
Profit for the period	1180.15	1917.91

(5) Foreign investments or Collaborators, if any

The Company has not entered into any foreign collaboration and no foreign direct capital investment has been made in the Company.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details

Mr. Dinesh Oswal is 54 years of age. He is commerce graduate and is having more than 34 years of business experience in textile industry and financial matters. He is also a Managing Director of M/s. Nahar Spinning Mills Ltd.

(2) Past Remuneration (last two years)

(Amount in Rs.)

Particulars	Financial year (2018-19)	Financial Year (2017-18)
Salary	27,000,000.00	24,600,000.00
Perquisite and Allowances	-----	-----
Commission/bonus	-----	-----
Retirement Benefits	-----	-----
Arrears of last year	-----	3,000,000.00
Total	27,000,000.00	27,600,000.00

Note: Mr. Dinesh Oswal was paid remuneration during the year 2017-18 and 2018-19 as approved by Central Government vide their letter no. SRN G41287038/2017-CL. VII dated 26th December, 2017.

(3) Recognition or Awards

NIL

(4) Job profile and his suitability

Mr. Dinesh Oswal became the Managing Director of the Company, which came into existence after the demerger of financial business of Nahar Spinning Mills Ltd into a separate company. The demerger was approved by the Hon'able High Court of Punjab and Haryana vide order dated 21.12.2006. Since then he is working with the Company as Managing Director and managing the day to day affairs of the Company having investible funds of more than Rs. 500 Crores. He is having financial knowledge and experience of Capital Market. Seeing his entrepreneurial skills, leadership qualities and the



progress made by the Company, he was re-appointed as Managing Director by the Members for a period of five years w.e.f. 1st January, 2017, vide their Special Resolution dated 30th September, 2016. He has played a pivotal role in charting the Company's strategy for expanding its operations. Having regard to his financial expertise and experience in the Capital Market, he is the best suited person for the responsibilities entrusted to him by the Board of Directors.

(5) Remuneration Proposed

Remuneration proposed is already described above in the resolution at item No. 5 as minimum remuneration.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Considering the size of the Company, the profile of Mr. Dinesh Oswal, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him commensurate with the remuneration packages paid to persons appointed at similar level in other companies.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. Dinesh Oswal belongs to promoter category. He is also a relative to Mr. J.L. Oswal, Chairman and Mr. Kamal Oswal, Director of the Company. Besides the remuneration proposed, Mr. Dinesh Oswal, does not have any other pecuniary relationship with the Company or with the Managerial Personnel.

III. OTHER INFORMATION:

(1) Reasons for loss or inadequate profits

The Company's profitability has been affected due to high volatility in equity market in FY 2018-19 amidst geo-political risks such as trade wars and Brexit etc., adverse Banking scenario, slowing global growth and liquidity crisis in NBFCs coupled with Lower Corporate Profitability. Besides, the Company is also having exposure in Real Estate funds and the return of same has been declined due to slowdown in Real Estate Sector. The Company foresees that said factors are not going to change in the short run and this will affect Company's profitability in the coming period also.

(2) Steps taken or proposed to be taken for improvement

The Company intends to continue to focus on diversifying its business into new avenues of Investment/financial to earn maximum returns. The Company has also made substantial capital expenditure in commercial property to earn higher rental income. However, the Government is also taking several

measures for increasing the economic activities of the Country as well as boosting the real estate sector which will help to improve Company's profitability.

(3) Expected increase in the productivity and profits in the measurable terms.

With the diversification of Company's business coupled with favorable Government's initiatives to boost the economic activities of the country, the Company expects improvement in its performance over medium to long term.

IV. DISCLOSURES:

The Company has provided all the disclosures in Corporate Governance Report as required under Section II of Part II of Schedule V of the Companies Act, 2013.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking re-appointment:

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

1. Name	Mr. Dinesh Gogna
Age	66 Years
Qualification	BA, LLB
Expertise	Having more than 42 years experience in Corporate Finance and Taxation

Listed Companies (other than Nahar Capital and Financial Services Limited) in which Mr. Dinesh Gogna holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2019:

Directorship of Board:

Sr. No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Director
2	Nahar Spinning Mills Limited	Director
3	Nahar Poly Films Limited	Director
4	Nahar Industrial Enterprises Limited	Director

Chairmanship of Board Committees:

Sr. No.	NAME OF THE COMPANY	COMMITTEE
1	Monte Carlo Fashions Limited	Stakeholder's Relationship Committee
2	Nahar Industrial Enterprises Limited	Stakeholder's Relationship Committee



Membership of Board Committees:

Sr. No.	NAME OF THE COMPANY	COMMITTEE
1	Monte Carlo Fashions Limited	Audit Committee Nomination and Remuneration Committee
2	Nahar Spinning Mills Limited	Audit Committee
3	Nahar Poly Films Limited	Audit Committee
4	Nahar Industrial Enterprises Ltd.	Audit Committee

Shareholding in the Company: NIL

Disclosure of relationship between Directors inter-se: NIL

2. Name	Mr. Satish Kumar Sharma
Age	66 Years
Qualification	MBA
Expertise	Having more than 38 years experience in Textile Industry

Listed Companies (other than Nahar Capital and Financial Services Limited) in which Mr. Satish Kumar Sharma holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2019:

Directorship of Board:

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Spinning Mills Ltd.	Director
2	Nahar Poly Films Limited	Executive Director

Chairmanship of Board Committees: NIL

Membership of Board Committees:

Sr. No.	NAME OF THE COMPANY	COMMITTEE
1	Nahar Spinning Mills Ltd	Stakeholder's Relationship Committee

Shareholding in the Company: NIL

Disclosure of relationship between Directors inter-se: NIL

BY ORDER OF THE BOARD

**ANJALI MODGIL
(COMPANY SECRETARY)**

DATED : 13TH AUGUST, 2019

**Regd. Office: 375, Industrial Area-A,
Ludhiana-141003**

CIN: L45202PB2006PLC029968

E-mail: secncfs@owmnaahar.com



*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, the 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: secncfs@owmnaahar.com, gredressalnfcsl@owmnaahar.com

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

**DIRECTORS' REPORT**

Dear Members,

Your Directors have immense pleasure in presenting the **FOURTEENTH ANNUAL REPORT** on the affairs of the Company for the financial year ended 31st March, 2019.

FINANCIAL PERFORMANCE

Your Company's financial performance during the year is summarized below:

(Rs. in Lakhs)

Particular	STANDALONE		CONSOLIDATED	
	Current Year	Previous Year	Current Year	Previous Year
Total Income	2516.77	3022.14	2405.05	2714.46
Less: Total Expenses	1022.70	679.16	1022.70	679.16
Profit before Tax	1494.07	2342.98	1382.35	2035.30
Less: Tax (including deferred tax charge and adjustment of previous year)	313.92	425.07	572.99	(103.51)
Share of Profit/loss from Associates	---	---	1689.42	(261.15)
Net Profit from continuing operations	1180.15	1917.91	2498.78	1877.66
Other Comprehensive Income/(loss)	(1374.09)	1278.55	(1770.30)	(992.79)
Profit/(Loss) for the period	(193.94)	3196.46	728.48	884.87

INDIAN ACCOUNTING STANDARDS

As per the road map notified by the Ministry of Corporate Affairs (MCA), the Company has adopted Indian Accounting Standards (Ind-AS) w.e.f. financial year 2018-19 and accordingly, the transition date is 1st April, 2017. The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs (MCA) under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and applicable guidelines issued by the Reserve Bank of India (RBI). The financial statements have been prepared in accordance with the format prescribed for a Non-Banking Financial Company (NBFC) in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated October 11, 2018, issued by the Ministry of Corporate Affairs.

The Reconciliation and the effect of the transition as per GAAP vis a vis Ind AS has been provided in Note No. 46 of notes to the Financial Statements.

FINANCIAL PERFORMANCE REVIEW AND STATE OF AFFAIRS

We would like to inform you that the Company's activities can be classified under one segment namely; Investment/Financial Activities. However, the Company is

also dealing in Real Estate Segment. Though, the Company is not required to report Real Estate Segment, being below quantitative thresholds specified as per Ind-AS 108 'Operating Segments', but for better understanding of the financials, the Company has given the details of both the segments i.e. Investment/Financial Activities and Real Estate Activities in the financial statements for the year ended 31st March, 2019.

Before reviewing overall performance of the company, we would like to brief you regarding the working performance of each segment, which is as under:

INVESTMENT/FINANCIAL SEGMENT

The Company's primary business activities are 'Investment/Financial Activities' comprising of Long Term investment & Strategic Investments and Short Term Investment activities i.e. Trading Investment. Besides, the Company's business activities also include lending activities. The Company makes investments in Primary and Secondary Market directly as well as through Mutual Funds and Portfolio Management Services etc. During the year under review, the Company achieved net revenue of Rs. 2353.60 Lakhs and earned a Profit (before tax and finance cost) of Rs. 1695.88 Lakhs from investment/financial activities.

REAL ESTATE SEGMENT

We would like to inform you that the real estate segment achieved net revenue of Rs. 163.17 Lakhs and earned a Profit (before tax and interest cost) of Rs. 112.17 Lakhs during the year under review.

OVERALL PERFORMANCE

Further, pursuant to the requirements of Section 129(3) of the Companies Act, 2013, the Company has consolidated the Financial Statements for the year ended 31st March, 2019 in respect of its Associate Companies. We would brief you regarding the financial performance of the Company on standalone as well as consolidated basis, which is as under:-

STANDALONE FINANCIAL PERFORMANCE

As you are aware that your Company being an Investment Company, makes investments in Primary and Secondary Markets directly as well as through Mutual Funds and Portfolio Management Services etc. High volatility in equity market in FY 2018-19 amidst geo-political risks such as trade wars and Brexit etc., adverse Banking scenario, slowing global growth and liquidity crisis in NBFCs coupled with lower corporate profitability affected the profitability of the Company during the year under review. Profitability also affected due to long term Strategic investments made by the company during the year.

On standalone basis, the Company earned operating/other income of Rs. 2516.77 Lakhs in the current year as against Rs. 3022.14 Lakhs in the previous year. It earned a profit



before tax of Rs. 1494.07 Lakhs as against Rs. 2342.98 Lakhs in the previous year. After providing for tax expenses of Rs. 313.92 Lakhs (including deferred tax charge), it earned a net profit of Rs. 1180.15 Lakhs for the year ended 31.03.2019 as compared to Rs.1917.91 Lakhs in the previous year ended 31.03.2018.

CONSOLIDATED FINANCIAL PERFORMANCE

On consolidated basis, the Company earned operating/ other income of Rs. 2405.05 Lakhs during the year under review as against Rs. 2714.46 Lakhs in the previous year. It earned a profit (including profit/loss of associates) before tax of Rs. 3071.77 Lakhs as against Rs. 1774.15 Lakhs in the previous year. After providing for tax expenses of Rs. 572.99 Lakhs (including deferred tax charge), it earned a net profit of Rs. 2498.78 Lakhs for the year ended 31.03.2019 as against Rs. 1877.66 Lakhs in the previous year ended 31.03.2018.

TRANSFER TO RESERVE

The Company has not transferred any amount to the General Reserve and thus Company's General Reserve stands to Rs. 333.21 Crores as on 31st March, 2019. However, after making adjustment of Dividend paid including dividend distribution tax, Statutory Reserve Fund, CSR Reserve and adding comprehensive income for the year, an amount of Rs. 6.59 Crores has been Retained in the Surplus Account during the year and thus, Retained Earnings/Surplus Account stand increased to Rs. 64.94 Crores as on 31st March, 2019.

DIVIDEND

The Board, in its meeting held on 30th May, 2019 has recommended a dividend @ 30% (i.e. Rs.1.50/- per equity shares of Rs.5/- each) on paid up share capital for the year ended 31st March, 2019. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting to be held on 30th September, 2019. The total dividend declared (excluding dividend distribution tax) for the current year is Rs. 2.51 Crores.

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 13th September, 2019 or Register of Beneficial Owners, maintained by the Depositories as at the close of 13th September, 2019.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all dividends which remains unpaid/ unclaimed for a period of seven years shall be transferred by the Company to the

Investor Education and Protection Fund (IEPF) established by the Central Government.

Accordingly, the Company has transferred an amount of Rs. 3,46,386/- (Rupees Three Lakhs Forty Six Thousand Three Hundred and Eighty Six only) being the amount of unclaimed dividend for the year 2010-11 to the Investor Education and Protection Fund in November, 2018. Further, unpaid dividend for the year 2011-12 shall be transferred to Investor Education and Protection Fund pursuant to Section 124 of the Companies Act, 2013 in November, 2019. The Company has also sent letter/notice to the shareholders informing them to claim the unclaimed dividend from the Company before transferring the same to the Investor Education and Protection Fund.

Further, pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more is required to be transferred to the Demat Account of the IEPF Authority. Accordingly, during the year under review, the Company has transferred 12,640 (Twelve Thousand Six Hundred Forty) equity shares of Rs. 5/- each, to the demat account of IEPF Authority having DPID/Client ID: IN300708/10656671. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: http://www.owmnaahar.com/nahar_cf/transfer-of-equity-shares-to-IEPF.php. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

The shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back by making an application to the IEPF Authority in e-Form IEPF-5 as per procedure provided under Rule 7 of the IEPF Rules. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> for refund of shares and/or dividend from the IEPF Authority.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and Article 117 of the Articles of Association of the Company, Mr. Dinesh Gogna (DIN: 00498670) and Mr. Satish Kumar Sharma (DIN: 00402712), will be retiring by rotation at the ensuing



Annual General Meeting and being eligible, offered themselves for re-appointment. The Board has recommended their re-appointment to the members of the Company at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Dinesh Oswal, Managing Director, Mr. H.R. Kapoor, Chief Financial Officer and Mrs. Anjali Modgil, Company Secretary, are the Key Managerial Personnel (hereinafter referred as KMP) of the Company. There has been no change in the KMP since the last fiscal year.

FIT AND PROPER POLICY

The Directors have also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the Non Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015 issued by the Reserve Bank of India

BOARD EVALUATION

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

The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination and Remuneration Committee of the Company and adopted by the Board. The evaluation was carried out through structured evaluation process to evaluate the performance of individual Directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behaviour, leadership qualities, level of engagement and contribution, independence of judgement, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The outcome of the Board Evaluation for the Fiscal 2019 was discussed by the Nomination and Remuneration Committee at the Meeting held on 29th May, 2019 and the Board at its Meeting held on 30th May, 2019.

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

CORPORATE POLICIES:

The Securities and Exchange Board of India (SEBI), on

September 2, 2015, issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. As per said Regulations, the listed companies are required to formulate certain policies. As a good corporate the Company has already formulated several corporate governance policies and the same are available on the company's website i.e. www.ownahar.com. The said policies are reviewed periodically by the Board to make them compliant with the new Regulations/requirements

The company has adopted certain policies, the details of which are given hereunder:

Name of the Policy	Brief Description
Appointment & Remuneration Policy	Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 3rd February, 2015 approved the Policy for Appointment and Remuneration of Directors, Key Managerial Personnel and other employees as recommended by Nomination and Remuneration Committee.
Corporate Social Responsibility Policy	Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility Policy was formulated by CSR Committee and adopted by the Board. The Company's CSR Policy outlines the various projects / programmes / activities to be undertaken by the Company as laid down in Schedule VII of the Companies Act, 2013 relating to promoting education, healthcare, environment, hunger, poverty etc.



<p>Whistle Blower Policy</p>	<p>Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its directors and employees. The aim of the policy is to provide a channel to the directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct for policy.</p>		<p>The Codes help to regulate trading in securities by the designated persons. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.</p>
<p>Policy for determining the Material Related Party Transactions and dealing with the related party transactions</p>	<p>Pursuant to the requirements of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved a policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions. The policy regulates the transactions between the Company and its group companies and related parties. The Policy has been uploaded on the Company's website and can be accessed at http://owmnahar.com/nahar_cf/pdf/RPT-NAHAR-CAPITAL.pdf.</p>	<p>Preservation of documents Policy</p>	<p>The Board of Directors in their meeting held on 10th November, 2015 has approved and adopted the policy for Preservation of documents. The Policy segregates the documents to be preserved permanently and documents to be preserved at least for a period of 8 years as per the requirements of applicable laws.</p>
<p>Insider Trading Policy</p>	<p>Pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019, the Board in its Meeting held on 11.02.2019 revised the following Codes to provide framework for dealing in the Securities of the Company by the Insiders:</p> <ul style="list-style-type: none"> i. Code of practices and procedures for fair disclosure of unpublished price sensitive information ii. Code of conduct to regulate, monitor and report trading by insiders 	<p>Archival Policy</p>	<p>Pursuant to the requirements of Regulations 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Archival Policy in its Meeting held on 10th November, 2015. The Policy ensures protection, maintenance and archival of Company's disclosures, documents and records that are placed on Company's website i.e. www.owmnahar.com.</p>
		<p>Board Diversity Policy</p>	<p>The Board of Directors in their Meeting held on 3rd February, 2015 has approved and adopted the Board Diversity Policy as per the recommendations of Nomination and Remuneration Committee. The policy envisages of diversification of Company's Board in respect of age, knowledge, experience and expertise.</p>



APPOINTMENT AND REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for Appointment and Remuneration of Directors, Senior Management and other employees as provided under Section 178(3) of the Companies Act, 2013. The objective of the Policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to meet independence of Directors. The present Board consists of ten members. Mr. Jawahar Lal Oswal is Non-Executive Chairman. Mr. Dinesh Oswal is a Managing Director. There are four Non Executive Directors and five are Independent Directors out of which one Director namely; Dr. Manisha Gupta is a woman director on the Board.

The Company's Policy of Appointment and Remuneration includes criteria for determining qualification, positive attributes, independence of directors and other matters as required under sub-section 3 of Section 178 of the Companies Act, 2013. The Policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees. The Nomination & Remuneration Policy of the Company is available on the Company's website and can be accessed at http://owmnahar.com/nahar_cf/pdf/NAHARCAPPOINTMENTANDREMUNERATIONPOLICY.pdf There has been no change in the Policy since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

BOARD MEETINGS

During the year under review, the Board of Directors of the Company met four times i.e. 30th May, 2018, 29th August, 2018, 30th November, 2018 and 11th February, 2019 with a predefined agenda circulated well in advance. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on 30th November, 2018, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. At the Meeting, they -

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

FAMILIARISATION PROGRAMS FOR BOARD MEMBERS

The Company, at the time of appointing a Director, issues a formal letter of appointment which, inter alia, explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All the Independent Directors are provided with all the Policies/Guidelines as framed by the Company under various statutes and SEBI Regulations, to familiarize them with Company's procedures and practices. Further, to update them on a regular basis, the Company provides copies of all the amendments in Corporate Laws, Corporate Governance Rules and SEBI Regulations. The details of Company's Policy on Familiarization Programs for Independent Directors are posted on the website of the Company and can be accessed at: http://www.owmnahar.com/nahar_cf/pdf/Familiarization-Program-2019.pdf.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year under review, transactions entered into with Related Parties/Group Companies/Associate Companies are given in the Notes to the Financial Statements which were in the ordinary course of business at arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. No any contract or arrangement was entered into with the Related Parties as per Section 188(1) of the Companies Act, 2013 read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended 31st March, 2019. Thus the requirement for disclosure of particulars of contracts or arrangement with related parties referred to in Section 188(1) is not applicable to the Company. However, as per Company's policy, all the transactions with the Group Companies/Related Parties are placed before the Audit Committee as well as the Board, for their information and approval.

We would like to inform you that during the year, no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.



SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2019 is Rs. 837.31 Lakhs. During the year under review, the Company has neither issued shares with differential voting rights as to dividend, voting or otherwise nor granted stock options or sweat equity under any scheme.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements. The Company being a Non Banking Financial Company registered under Chapter IIIB of the Reserve Bank of India Act, 1934, thus the provisions of Section 186 (except Sub Section 1) of the Companies Act, 2013 in respect of lending and investment activities, are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

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

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

AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013, Company has already constituted an Audit Committee consisting of three Non-executive Directors under the Chairmanship of Prof. K.S. Maini, Dr. S. K. Singla and Mr. S.K. Sharma as members. Mrs. Anjali Modgil is the Secretary of the Committee. The Committee held four meetings during the year under review.

VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2013, the Company established a Vigil Mechanism process as an extension of Company's Code of Conduct whereby any employee,

directors, customers, vendors etc., can report the genuine concerns or grievances to the Compliance Officer or members of the Audit Committee about unethical behaviour, actual or suspected, fraud or violation of Company's Code of Conduct so that appropriate action can be taken to safeguard the interest of the Company. The Mechanism also provides for adequate safeguards against victimisation of persons who uses such mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Company has a dedicated e-mail address i.e. whistleblowerncfs@owmnahar.com for reporting the genuine concerns. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website and can be accessed at http://owmnahar.com/nahar_cf/pdf/vigil_mechanism.pdf.

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

CREDIT RATING

Your Directors are pleased to inform that M/s. ICRA Limited vide their Report dated March 21, 2019 has reaffirmed the rating "[ICRA] A1+" (pronounced ICRA A one plus+) assigned to the proposed Short Term Debt / Commercial Paper Programme of the Company for Rs. 25 Crores. This rating is considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. This is the highest credit quality rating by the ICRA to the Short Term Debt / Commercial Paper and it reflects the company's sound financial discipline and prudence.

SUSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any subsidiary and joint venture company. The Company has three Associate Companies viz. M/s. Nahar Spinning Mills Ltd., M/s. Nahar Industrial Enterprises Ltd. and M/s. Nahar Poly Films Ltd. No Company has become or ceased to be the Associate Company of the Company during the year under review.

CONSOLIDATED FINANCIAL STATEMENT

As per Companies Act, 2013, the Company has three Associate Companies viz. M/s. Nahar Spinning Mills Ltd., M/s. Nahar Industrial Enterprises Ltd. and M/s. Nahar Poly Films Ltd. Pursuant to the requirements of Section 129(3) of the Companies, Act, 2013, the Company has consolidated the financial statements in respect of above said Associate Companies for the financial year ended 31st March, 2019.

Further, a report on the performance and financial position of each of the Associate Companies as per the Companies Act, 2013 in the Form AOC-1 is annexed to the Financial



Statements for the year ended 31.03.2019.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Further, as per the provisions of Companies Act, 2013, the Company may send financial statements and other documents by electronic mode to its members. Your Company has decided to join the MCA in its environmental friendly initiative.

Accordingly, henceforth Company propose to send documents such as Notice of the General 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 secncfs@owmnahar.com or gredressalnfcsl@owmnahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

LISTING OF SECURITIES

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

1. The BSE Ltd., 25th Floor Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
2. The National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051.

The Company has paid listing fee to both the Stock Exchanges for the financial year 2019-20.

DEMATERIALIZATION OF SHARES

Your Company has established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) to facilitate the holding and trading of securities in electronic form. As on 31st March, 2019, 98.27% of the total Equity Share Capital of the Company has been dematerialized.

The SEBI vide its Gazetted Notification dated June 08, 2018 amended the Regulation 40 (1) (b) of SEBI (LODR) Regulations, 2015 whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with the Depository. Hence, members are hereby informed that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a Depository. Hence, all members, who are holding equity shares in physical form, are

requested to go in for dematerialization of securities at the earliest.

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 Capital and Financial Services Ltd)

Alankit Heights,
3E/7, Jhandewalan Extension,
NEW DELHI-110055

Telephone No : (011)23541234

Fax No. : (011)23552001

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.

RISK MANAGEMENT

The Company being essentially an Investment Company, its main sources of income are dividend/income receivable on investments in Equity Shares/Debentures/Bonds/deposits made and held by it in other companies and Mutual Funds. The financial business is always prone to risks of capital market fluctuations and economic cycle.

To monitor and manage the risk associated with the investment business, the Company has developed and implemented a Risk Management Policy for the Company including therein identification and risk mitigation measures. The Policy is also posted on Company's website i.e. www.owmnahar.com. Further, the Company has also constituted Risk Management Committee pursuant to the RBI Circular No. DNBS (PD) CC No. 156 / 03.10.001 / 2009-10 dated July 1, 2009. The Committee comprises of three non-executive directors under the Chairmanship of Prof. K. S. Maini, Mr. Dinesh Gogna and Dr. S.K. Singla, as members. The main term of reference of the Committee is to review and monitor the risk associated with Company's business and suggest measures for mitigation of the same as per Company's Risk Management Policy. The Risk Management Committee met four times during the financial year under review.

DIRECTORS RESPONSIBILITY STATEMENT

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



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, if any;
- ii) that they have 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 the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting any fraud and other irregularities;
- iv) that they have prepared the Annual Accounts on a going concern basis;
- v) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

AUDITORS AND AUDITORS' INDEPENDENT REPORT

Statutory Auditors: The members at the Annual General Meeting held on 26th September, 2017, appointed M/s. YAPL and Co., Chartered Accountants (Firm Registration No. 017800N) as Statutory Auditors of the Company for a term of five consecutive years starting from the conclusion of the 12th Annual General Meeting upto the conclusion of 17th Annual General Meeting of the Company to be held in the year 2022.

Audit Report: M/s. YAPL and Co., Chartered Accountants, the Statutory Auditors have submitted the Audit Report on the Financial Statements of the Company for the accounting year ended 31st March, 2019. There were no qualifications, reservations, adverse remarks or disclaimers in the Report. The observations and comments given by Auditors in their Report read together with the Notes to the Financial Statements are self explanatory and require no comments. No frauds were reported by the Auditors under Section 143(12) of the Companies Act, 2013.

Secretarial Auditor: The Board pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s.P.S. Bathla and Associates, a Practicing Company Secretaries,

having Certificate of Practice No. 2585 to conduct the Secretarial Audit of the Company for the financial year 2019-20.

M/s. P.S. Bathla and Associates, Practising Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2019 and submitted their Secretarial Audit Report in the Form No. MR-3 which is annexed herewith as Annexure II and form part of this Report.

The Report is self explanatory and requires no comments.

INTERNAL FINANCIAL CONTROL AND SYSTEM

The Company is maintaining an efficient and effective system of Internal Financial Control for the facilitation of speedy and accurate compilation of financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations and procedures. Further, the statutory auditors of the Company have verified the systems and processes and confirmed that the internal financial controls system over financial reporting is operating effectively.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed M/s. Piyush Singla & Associates, Chartered Accountant as Internal Auditor of the Company. The Company is also having an Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and to suggest improvement in the systems. The Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

The company's Internal Financial Control System commensurate with the nature of its business and the size of its operations. In order to further strengthen the Internal control system and to automate the various processes of the business, company is making use of Enterprises Resource Planning (ERP). The Asset Liability Management (ALM) concerned with the effective risk management in various Portfolios is also framed by the Company.

The Indian Accounting Standards (Ind AS) have become applicable to the Company w.e.f. 1st April, 2018 (transition date being 1st April, 2017). Accordingly, financial statements have been prepared in accordance with the Companies (India Accounting Standards) Rules, 2016. The Company also appointed M/s. Grant Thornton India LLP, Noida, a leading consultancy firm in the Accounting /



Financial matters, to advise the Company on convergence of Ind AS.

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

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2018-19 in the Form MGT-9 has been available on the Company's website at: http://www.ownahar.com/nahar_cf/pdf/MGT-9.pdf as the requirement of attaching the extract of annual return with Board's Report has been done away by Section 36 of Companies (Amendment) Act, 2017 as notified by Ministry of Corporate Affairs vide its Notification dated 31st July, 2018.

PUBLIC DEPOSITS

The Company is registered as Non-deposit taking Non-Banking Financial Company with RBI. The Company has not accepted any Public Deposit within the meaning of Section 73 of the Companies Act, 2013 and the Rules made there under. There is no outstanding/unclaimed deposit from the public. However, the information as required under Rule 8 of the Companies (Accounts) Rules, 2014 is given hereunder:-

- (i) Deposits accepted during the year: Nil
- (ii) Deposits remained unpaid or unclaimed as at the end of the year: Nil
- (iii) Default in repayment of deposits and deposits which are not in compliance with the Requirements of Chapter V of the Companies Act, 2013: N.A.

PARTICULARS OF EMPLOYEES

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

In terms of Section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. However, the details regarding remuneration received by Managing Director is also given in ANNEXURE III annexed hereto and form part of this Report.

During the year under review, Mr. Dinesh Oswal, Managing

Director of the Company, has been paid remuneration of Rs. 2,70,00,000/- (Rupees Two Crores Seventy Lakhs only) for the financial year 2018-19, as per the approval of the Central Government vide its letter no. SRN G41287038/1/2017-CL-VII dated 26th December, 2017. Mr. Dinesh Oswal is 54 years of age. He is a Commerce Graduate and has business experience of more than 34 years in textile industry and financial expertise. He is employed on contractual basis for five years w.e.f 1st January, 2017 to 31st December, 2021. Before joining the Company, he was employed with M/s. Oswal Woollen Mills Ltd. as Commercial Manager. His shareholding in the Company is Nil. He is related to Mr. Jawahar Lal Oswal, Chairman and Mr. Kamal Oswal, Director of the Company.

No other employee was in receipt of remuneration exceeding the limits as provided under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MAINTENANCE OF COST RECORDS

The maintenance of cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company as the Company is a Non Banking Financial Company.

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

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

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2018-19, the Company has not received any complaint on sexual harassment and hence no complaint remains pending as of 31 March, 2019.

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 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules 2014, are not applicable, as the company is a Non-Banking Financial Company.

REPORT ON THE CORPORATE GOVERNANCE

Your Company continues to follow the principles of good Corporate Governance. The Company has constituted several committees of directors to assist the Board in good



Corporate Governance. The Corporate Governance Report for the year ended 31st March, 2019 along with Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure IV and form part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under the Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed as per Annexure-V and form part of this Report.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

The Board of Directors of the Company wish to place on record their gratitude and appreciation to all workers, staff members and executives for their contribution to the operations of 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

JAWAHAR LAL OSWAL

DATED : 13TH AUGUST, 2019

(CHAIRMAN)

(DIN: 00463866)

ANNEXURE- I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and recommended the same to the Board of Directors of the Company for their approval. The Board of Directors on 11th August, 2014 adopted the CSR Policy as recommended by CSR Committee whereby the Company will undertake CSR activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The details of Company's CSR policy are available on its website i.e. www.owmnahar.com/nahar_cf/pdf/CSR-POLICY.pdf.

2. Composition of the CSR Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board constituted the Corporate Social Responsibility Committee comprising of three members namely;

Mr. Dinesh Oswal, Chairman (Managing Director)

Dr. S.K. Singla, Member (Independent Director)

Mr. Dinesh Gogna, Member (Director)

3. Average net profit of the Company for last three financial years: Rs. 2574.29 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 51.48 Lakhs

5. Details of CSR spend for the financial year:

(a) Total amount spent for the financial year: Rs. 0.70 Lakhs

(b) Amount unspent, if any: Rs. 50.78 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below:

The Company for its Corporate Social Responsibility obligation (herein after referred to as "CSR") tied up with M/s. Oswal Foundation for undertaking its CSR obligations.

During the year, the Company donated Rs. 0.70 Lakhs towards HDFC Cancer Cure Fund and was not able to spend its remaining CSR amount of Rs. 50.78 Lakhs till March 31, 2019 and accordingly, the Company transferred the unspent amount of Rs. 50.78 Lakhs to the CSR Reserve Fund. However, the Company contributed Rs. 50.78 Lakhs in May, 2019 in respect of its CSR obligations for the year 2018-19 as required by Oswal Foundation which will be spent by the said implementing agency on CSR activities as prescribed under Schedule VII of the Companies Act, 2013.

We would also like to update the information regarding the ongoing CSR project, being undertaken by M/s. Oswal Foundation on behalf of the Company/Group Companies. The information is as follows:



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2)Specify the State and District where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent to the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1.	Health Care Projects: A. At Mohan Dai Oswal Cancer Treatment Research Foundation B. Supply of free Mobile Dispensary C. Other Medical Help	Promoting Health Care including Preventive Health Care	(1) Local Area (2) State-Punjab, Ludhiana	Rs. 10.79 Lakhs Rs. 2 Lakhs	Rs. 443.22 Lakhs Rs. 10.79 Lakhs Rs. 2 Lakhs	Rs. 443.22 Lakhs Rs. 10.79 Lakhs Rs. 2 Lakhs	Through Oswal Foundation, a Charitable Trust
2.	Donation to HDFC Charity Cancer Cure Fund	Promoting Health Care including Preventive Health Care	-	-	Rs. 0.70 Lakhs	Rs. 1.51 Lakhs	Through HDFC Charity Cancer Cure Arbitrage Fund
3.	A. Maintenance of Fountain Chowk, Ludhiana B. Maintenance of Public Park on National Highway, G.T. Road, Ludhiana	Ensuring Environmental Sustainability	(1) Local Area (2) State-Punjab, Ludhiana	-	Rs. 48.76 Lakhs	Rs. 64.65 Lakhs	Through Oswal Foundation, a Charitable Trust
4.	Government Primary School at: 1. Vill. Jodhan, Distt. Ludhiana 2. Gaispura Ludhiana 3. Village Churpur, Ludhiana 4. VRTC Ludhiana 5. College Road, Ludhiana 6. Govt. Blind School, Jamalpur, Ludhiana	Promotion of Education	(1) Local Area (2) State-Punjab, Ludhiana-	-	Rs. 19.21 Lakhs	Rs. 184.74 Lakhs	Through Oswal Foundation, a Charitable Trust
5.	Protection & Control of Water pollution at Ludhiana	For maintaining quality of Soil, Air and Water	(1) Local Area (2) State-Punjab, Ludhiana-	Rs. 2.42 Lakhs	Rs. 2.42 Lakhs	Rs. 2.42 Lakhs	Through Oswal Foundation, a Charitable Trust
6.	Others: 1. Sports 2. Other activities	Social Business Projects	(1) Local Area (2) State-Punjab, Ludhiana-	Rs. 0.60 Lakhs Rs. 1.54 Lakhs	Rs. 0.60 Lakhs Rs. 1.54 Lakhs	Rs. 11.42 Lakhs Rs. 1.54 Lakhs	Through Oswal Foundation, a Charitable Trust

6. Reasons for not spending the two percent of the average net profits of the last three financial years:

During the year, the Company donated Rs. 0.70 Lakhs towards HDFC Cancer Cure Fund under the head "Preventive Health Care" as per Schedule VII of the Companies Act, 2013. The Company was not able to spend its remaining CSR amount of Rs. 50.78 Lakhs till March 31, 2019 and accordingly, the Company transferred the unspent amount of Rs. 50.78 Lakhs to the CSR Reserve Fund. However, in May, 2019, the Company contributed Rs. 50.78 Lakhs in respect of its CSR obligations for the year 2018-19 as required by Oswal Foundation which will be spent by the said implementing agency on CSR activities as prescribed under Schedule VII of the Companies Act, 2013. Thus, with the said contribution, CSR Reserve Fund created in the books of accounts stands fully utilized for the purpose of CSR activities and the Company complied with the provisions of Section 135 of the Companies Act, 2013.

7. A responsibility statement of the CSR Committee:

The members of the CSR Committee hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

PLACE: LUDHIANA
DATE: 13TH AUGUST, 2019

(DINESH OSWAL)

Managing Director/Chairman of CSR Committee

(DIN: 00607290)



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

ANNEXURE-II

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

To
The Members,
Nahar Capital and Financial Services Ltd.
375, Industrial Area A,
Ludhiana, Punjab-141003

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

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Nahar Capital and Financial Services Ltd** ("The Company") for the financial year ended on **31st March, 2019** according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of
 - IV. Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable as the Company has not issued further capital during the financial year under review)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable as the Company has not issued any shares/options to directors/ employees under the said guidelines/regulations during the year under review)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued Debt Securities during the Audit Period under review)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period as there was no event in this regard)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review)**
 - VI. The Reserve Bank of India Act, 1934, RBI's NBFC Directions and Guidelines, Circular etc. issued by RBI from time to time, applicable on NBFCs.

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

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

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



2. I further report that

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

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

For P S Bathla & Associates

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

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

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

'Annexure A'

To
The Members,
Nahar Capital and Financial Services Ltd.
375, Industrial Area A,
Ludhiana, Punjab-141003

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

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

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

For P S Bathla & Associates

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



Annexure-III

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

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

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for financial year 2018-19 (in Rs.)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the Performance of the Company
1	Mr. J.L. Oswal Non-Executive Director	40000	0.00	0.11	--
2	Mr. Dinesh Oswal# Managing Director	27000000	-2.17	74.94	PBT decreased by 36.23% and PAT decreased by 38.47% in FY 2018-19
3	Mr. Kamal Oswal Non-Executive Director	40000	0.00	0.11	--
4	Mr. Dinesh Gogna Non-Executive Director	40000	0.00	0.11	--
5	Mr. S.K. Sharma Non-Executive Director	40000	0.00	0.11	--
6	Dr. Manisha Gupta Independent Director	40000	100.00	0.11	
7	Dr. Vijay Asdhir Independent Director	40000	100.00	0.11	
8	Dr. S.K. Singla Independent Director	30000	-25.00	0.08	--
9	Prof. K.S. Maini Independent Director	20000	-33.33	0.06	--
10	Dr. A.S. Sohi Independent Director	30000	50.00	0.08	
11	Mr. Hans Raj Kapoor Chief Financial Officer	1668899	3.56	--	PBT decreased by 36.23% and PAT decreased 38.47% in FY 2018-19
12	Mrs. Anjali Modgil Company Secretary	422331	17.20	--	

Note: Mr. Dinesh Oswal, Managing Director of the Company has been paid salary pursuant to the Central Government's approval vide its letter no. SRNG41287038/2017-CL. VII dated 26th December, 2017.

- ii) The median remuneration of employees of the Company during the financial year was Rs. 3.60 Lakhs.
- iii) In the financial year, there was an increase of 15.60% in the median remuneration of employees;
- iv) There were 19 permanent employees on the rolls of Company as on March 31, 2019;
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last

financial year i.e. 2018-19 was 20.30% whereas the decrease in the managerial remuneration for the same financial year is 2.17%.

- vi) It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for Directors, Key Managerial Personnel and other Employees.

Details of top ten employees of the Company in terms of salary drawn as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name & Designation	Remuneration received (Rs. in Lakhs)	Nature of employment (contractual or otherwise)	Qualification & Experience	Date of commencement of employment	Age (In Years)	Last employment held	% age of equity shares held	Whether relative of any director or manager
1	Mr. Dinesh Oswal MD	270.00	Contractual	B.Com. 34 years	01.01.2017	54	Oswal Woollen Mills Ltd.	Nil	Yes
2	Mr. H.R. Kapoor CFO	21.93	Regular	CA 36 years	01.05.2008	61	Nahar Spinning Mills Ltd.	0.004	No
3	Mr. Siddharath Umesh Singh Sr. Manager (Finance)	16.84	Regular	MBA 12 years	03.09.2007	36	---	Nil	No
4	Mr. Sunil Gupta Manager (Credit Control)	8.00	Regular	Graduate 33 years	01.05.2008	56	Nahar Fibres	Nil	No
5	Mrs. Anjali Modgil Company Secretary	4.93	Regular	CS, M.Com. 8 years	23.07.2014	31	---	Nil	No
6	Mr. Sunil Kapoor Executive (Personnel)	4.75	Regular	Graduate 30 years	01.03.2008	56	Nahar Spinning Mills Ltd.	Nil	No
7	Mr. Pritpal Singh Asstt. Accounts	3.49	Regular	B.Com. 18 years	01.03.2008	43	Nahar Spinning Mills Ltd.	Nil	No
8	Saroj Kant Nayak Accountant	3.34	Regular	B.Com. 20 years	01.06.2015	54	Nahar Spinning Mills Ltd.	Nil	No
9	Mr. Suresh Kumar Chaudhary Asstt. T.O.	2.99	Regular	Hr. Sec. 26 years	01.05.2008	49	Nahar Spinning Mills Ltd.	Nil	No
10	Gurpreet Singh Accountant	2.95	Regular	MBA 7 years	23.07.2013	32	---	Nil	No

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 13TH AUGUST, 2019

JAWAHAR LAL OSWAL
(CHAIRMAN)
(DIN: 00463866)



ANNEXURE-IV

CORPORATE GOVERNANCE REPORT

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

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good CORPORATE GOVERNANCE is a key to success of business. The Company's philosophy envisages an attainment of highest level of transparency and accountability in its operations so that Company's goal of creation and maximization of wealth of the shareholders could be achieved. Moreover, Good Corporate Governance practices ensure that Company gain as well as retain the trust of Shareholders. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter referred to as "Listing Regulations") incorporate certain mandatory disclosure requirements which are required to be made with regard to Corporate Governance (Part C of Schedule V). Accordingly, we are pleased to report on the Corporate Governance as hereunder: -

II. BOARD OF DIRECTORS

a. Board Composition:

Your Management believe that well informed and Independent Board is necessary to ensure High Standard of Corporate Governance. The Board oversees the Management's functions and protects the long term interest of all the stakeholders. The Listing Regulation prescribes that the Board of the Company should have the optimum combination of Executive and Non-Executive Directors with at least one Women Director. Besides, where the non-executive Chairperson is promoter of the listed entity or is related to any promoter then atleast half of the Board of Directors should consist of Independent Directors.

We are pleased to inform that Company's Board is an optimal mix of Executive, Non-Executive and Independent Directors so as to maintain its Independence in Governance and Management of the Company. The Listing Regulations mandate that for a Company with a non-executive chairman, who is a promoter, at least half of the Board should be independent directors. As on 31st March, 2019, the present strength of the Board is Ten Directors.

Mr. Dinesh Oswal is Managing Director of the Company and Mr. Jawahar Lal Oswal is Non-Executive Chairman and is one of the promoters of the Company. Accordingly, the Company's Board consists of five Independent Directors namely; Prof. K.S. Maini, Dr. Suresh Kumar Singla, Dr. Amrik Singh Sohi, Dr. Vijay Asdhir and Dr. Manisha Gupta, a Women Director. Mr. Kamal Oswal, Mr. Dinesh Gogna and Mr. S.K. Sharma are other Non-executive Directors of the Company. Thus, the Company is in compliance with all the applicable requirements of the Listing Regulations.

b. Number of Board Meetings held and dates on which held:

As per the provisions of Section 173 of the Companies Act, 2013 and the rules made thereunder, read with Listing Regulations, every Company is required to hold minimum four number of Board Meetings every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive Board Meetings. We are pleased to report that the Company held four Board Meetings during the year i.e. on 30th May, 2018, 29th August, 2018, 30th November, 2018 and 11th February, 2019 with a clearly defined agenda and has thus, complied with the said provisions of the Act. The agenda alongwith the explanatory notes are circulated to the directors well in advance. Every Board member can suggest the inclusion of additional items in the agenda. All the Directors strive to be present at the Board Meetings.

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

The participation of Non-Executive Directors and Independent Directors has been active in the Board Meetings. The names and categories of the directors on the Board, their attendance at Board Meetings held during the year and last Annual General Meeting held on Friday, 28th day of September, 2018 and the number of directorship and committee chairmanships/memberships held by them in other public companies as on 31st March, 2019 are given herein below. Other directorships do not include directors hips of private limited companies, Section 8 companies and companies incorporated outside India. Chairmanship/membership of Board Committees shall include only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of Listing Regulations:



Name of Directors	Category of Directors	No. of Directorship in other Public Companies	No. of Committee position held in other Public Companies		No. of Board Meetings attended	AGM Attendance	No. of Shares Held	Directorship in other Listed Entities	
			Member	Chairman				Name	Category
Mr. Jawahar Lal Oswal	Non-Executive, Promoter	9	0	0	4	NO	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Spinning Mills Ltd. d) Monte Carlo Fashions Ltd.	Director
Mr. Dinesh Oswal	Executive, Promoter	9	0	0	3	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Spinning Mills Ltd.	Director
Mr. Kamal Oswal	Non-Executive, Promoter	9	1	0	4	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Spinning Mills Ltd. d) Oswal Leasing Limited	Director
Mr. Dinesh Gogna	Non Executive	9	5	2	4	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Spinning Mills Ltd. d) Monte Carlo Fashions Ltd. e) Oswal Leasing Limited	Director
Mr. S.K. Sharma	Non Executive	2	1	0	4	NO	NIL	a) Nahar Poly Films Ltd. b) Nahar Spinning Mills Ltd.	Director
Prof. K.S. Maini	Independent	1	0	1	3	YES	NIL	a) Nahar Spinning Mills Ltd.	Independent Director
Dr. S.K. Singla	Independent	5	2	3	4	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Spinning Mills Ltd. d) Monte Carlo Fashions Ltd.	Independent Director
Dr. Amrik Singh Sohi	Independent	4	2	0	2	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Spinning Mills Ltd. d) Monte Carlo Fashions Ltd.	Independent Director
Dr. Manisha Gupta	Independent	4	2	1	2	NO	NIL	a) Nahar Poly Films Ltd. b) Nahar Spinning Mills Ltd. c) Monte Carlo Fashions Ltd.	Independent Director
Dr. Vijay Asdhir	Independent	3	2	2	2	YES	NIL	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Spinning Mills Ltd.	Independent Director



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

The information regarding other Board of Directors or Committees in which Directors are member or chairperson as on 31st March, 2019, is already given in the table given in Para C above. None of the Director holds Directorship in more than twenty Companies and is Director of more than ten public limited companies as prescribed under the Companies Act, 2013. Further, as per Regulation 17(A) of Listing Regulations, none of the Director of the Company holds directorship in more than eight listed entities and none of the Independent Director on the Board are serving as Independent Director in more than seven listed entities.

None of the director is a member in more than Ten (10) Board level Committees or is a Chairperson in more than Five (5) such Board level Committees of all listed entities in which he is a director as required under Regulation 26(1) of Listing Regulations.

e. Disclosure of relationships between directors inter-se:

Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal, Director and Mr. Dinesh Oswal, Managing Director of the Company. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers. None of other Director is related to any other director within the meaning of Section 2(77) of the Companies Act, 2013.

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

None of the Director of the Company is holding any share and convertible instruments issued by the Company.

g. Web link of Familiarization Programs:

The details of Company's Policy on Familiarization Programs for Independent Directors are posted on the website of the Company and can be accessed at http://www.owmnahar.com/nahar_cf/pdf/Familiarization-Program-2019.pdf.

h. Board-skills/expertise/competencies:

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

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

i. Confirmation of Independent Directors:

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

j. Separate Meeting of Independent Directors:

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

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

III. BOARD COMMITTEES

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee, CSR Committee, Risk Management Committee, Investment Committee, Asset Liability Management Committee and IT Strategy Committee which help the Board in good

Corporate Governance. The recommendations of the Committees are submitted to the Board for their consideration and approval. During the year under review, all recommendations of Committees were approved by the Board.

1. AUDIT COMMITTEE

a. Brief Description of Terms of Reference:

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

b. Composition:

The Audit Committee consists of three Non Executive Directors under the chairmanship of Prof. K.S. Maini who is an Independent Director. Mr. S.K. Sharma, Non Executive Director and Dr. S. K. Singla, Independent Director, are the two other members of the Audit Committee. There is no change in the composition of the Committee during the year. Prof. K.S. Maini is a Post Graduate in Commerce. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana. He is having requisite expertise in Financial and Accounting matters. Dr. S.K. Singla is M.A. in Economics & Statistics and Ph.D. in Statistics and is having requisite experience in teaching Business Management & Administration. Likewise, Mr. S.K. Sharma is an MBA and is also having requisite experience in Financial and Accounting matters. Mrs. Anjali Modgil is the Secretary of the Committee. Mr. H.R. Kapoor who is the Chief Financial Officer is a permanent invitee of the Committee. The Statutory Auditors and Internal Auditors are also invited to attend the meetings as and when felt necessary and as per relevant provisions of the applicable laws/rules.

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

c. Meetings and Attendance:

During the financial year 2018-19, the Committee met four times i.e. on 29th May, 2018, 28th August, 2018, 30th November, 2018 and 11th February, 2019, for reviewing and adopting the quarterly unaudited financial results as well as the financial statements for the year ended 31st March, 2018 before recommending the same to the Board of Directors for their perusal and adoption.

The attendance record of the Members at the Meetings held during the year 2018-19 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Prof. K.S. Maini	4	3
Mr. S.K. Sharma	4	4
Dr. S.K. Singla	4	3

2. NOMINATION AND REMUNERATION COMMITTEE

a. Brief Description of Terms of Reference:

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

b. Composition:

The Committee consists of three Independent Directors namely; Dr. S.K. Singla as the Chairman and Prof. K.S. Maini and Dr. Manisha Gupta as the members of the Committee.

c. Meetings and Attendance:

The Nomination and Remuneration Committee met twice i.e. on 29.05.2018 and 28.08.2018 during the year under review. The attendance record of the Members at the Meetings held during the year 2018-19 is as under:

Name of member	No. of Meetings Held	No. of Meetings Attended
Dr. S.K. Singla	2	1
Prof. K.S. Maini	2	1
Dr. Manisha Gupta	2	2

**d. Performance Evaluation Criteria for Independent Directors:**

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

e. REMUNERATION OF DIRECTORS**i. Pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company:**

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

ii. Criteria of making payment to non-executive directors:

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

Name of Director	Sitting Fees (Rs.)
Mr. Jawahar Lal Oswal	40,000.00
Mr. Kamal Oswal	40,000.00
Mr. Dinesh Gogna	40,000.00
Mr. S.K. Sharma	40,000.00
Prof. K.S. Maini	20,000.00
Dr. S.K. Singla	30,000.00
Dr. Amrik Singh Sohi	30,000.00
Dr. Vijay Asdhir	40,000.00
Dr. (Mrs.) Manisha Gupta	40,000.00
Total	3,20,000.00

iii. Disclosures with respect to remuneration:

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

iv. Elements of remuneration package

The elements of remuneration package paid to Mr. Dinesh Oswal, Managing Director of the Company, during the year 2018-19 is as follows:

Name of Director	Salary	Benefits	Bonuses	Stock Option	Pension	Total
Mr. Dinesh Oswal	2,70,00,000	--	--	--	-	*2,70,00,000

*The Company has paid a remuneration to Mr. Dinesh Oswal as Salary from 1st April 2018 to 31st March, 2019 pursuant to the Central Government's approval letter no. SRN G41287038/2017-CL.VII dated 26th December, 2017.

i. Details of fixed component and performance linked incentives, along with performance criteria

The remuneration of Managing Director of the company comprises of fixed component only i.e. salary, perquisites and retirement benefits. He is not entitled to any performance linked incentives.

ii. Service contracts, notice period, severance fees;

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

iii. Stock option details

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

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE**a. Brief Description of Terms of Reference:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted the Stakeholders' Relationship Committee. The Committee looks into the complaints/grievances of shareholders in respect of transfer of shares, Non-receipt of Dividend, Share Certificates, Annual Reports etc. and recommends measures for improving the quality of investor services. The Committee also oversees the performance of M/s. Alankit Assignments Ltd., the Registrar and Transfer Agent of the Company. The main objective of the Committee is to assist the Board and Company in maintaining healthier relationship with all stakeholders.

b. Composition:

The Committee consists of three non executive directors under the Chairmanship of Dr. A.S. Sohi, an Independent Director. Mr. S.K. Sharma, a Non-Executive Director and Dr. S.K. Singla, Independent Director are the other two members of the Committee. There is no change in the composition of the Committee during the year.

c. Meetings and Attendance

The Committee met four times from 1st April, 2018 to 31st March, 2019 i.e. on 30th June, 2018, 29th



September, 2018, 1st January, 2019 and 30th March, 2019. The attendance record of the Members at the Meetings held during the year 2018-19 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr Amrik Singh Sohi	4	3
Mr. S.K. Sharma	4	4
Dr. S.K. Singla	4	3

d. Name and Designation of Compliance Officer

Mrs. Anjali Modgil, Company Secretary is the Compliance Officer of the Company.

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

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

No. of complaints received during the year : NIL

No. of complaints resolved during the year : NIL

No. not solved to the satisfaction of shareholders : NIL

No. of complaints pending as on 31st March, 2019 : NIL

f. Dedicated e-mail for Investor Grievance

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

4. SHARE TRANSFER COMMITTEE

The Company has also constituted a Share Transfer Committee comprising of 4 (four) members under the Chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Mr. Dinesh Gogna, Non-Executive Director and Prof. K.S. Maini, Independent Director of the Company and Mrs. Anjali Modgil, Company Secretary of the Company, are the members of the Committee. The Committee is responsible for approving the transfer and transmission of securities, dematerialization of shares, issuance of duplicate share certificates and other shareholders related issues. The Committee met twenty times during the year under review i.e. 16th April, 2018, 30th April, 2018, 15th May, 2018, 31st May, 2018, 30th June, 2018, 16th July, 2018, 31st July, 2018, 14th August,

2018, 31st August, 2018, 29th September, 2018, 15th October, 2018, 31st October, 2018, 12th November, 2018, 15th December, 2018, 31st December, 2018, 15th January, 2019, 31st January, 2019, 15th February, 2019, 28th February, 2019 and 30th March, 2019 and the attendance record of the Members at the Meetings held during the year 2018-19 is as under:

Name of member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	20	19
Mr. Dinesh Gogna	20	19
Prof. K.S. Maini	20	13
Mrs. Anjali Modgil	20	20

Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the shares in respect of which dividend remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Details of shares transferred to the IEPF Authority are available on the Company's website and can be accessed through the link: http://www.owmnahar.com/nahar_cf/transfer-of-equity-shares-to-IEPF.php. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link <http://www.iepf.gov.in>.

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

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

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a. Brief Description of Terms of Reference:

The Board has constituted the Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 read Companies (Corporate Social Responsibility Policy)



Rules, 2014. The Committee formulated and recommended the Company's CSR Policy to the Board which was approved and adopted by the Board of Directors. The Company's CSR Policy is also available at the Company's website i.e. www.ownahar.com. As per Policy, the Company is undertaking the CSR activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation which is a Registered Society formed in 2006. The Committee recommends the amount of expenditure to be incurred on the CSR activities through Oswal Foundation. The Committee also oversees and monitors the activities / programmes/projects undertaken by Oswal Foundation.

b. Composition:

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

c. Meetings and Attendance

During the year under review, the Committee met twice i.e. on 16th July, 2018 and 29th August, 2018. The attendance record of the Members at the Meetings held during the year 2018-19 is as under:

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

The CSR Report as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 for the financial year ended 31st March, 2019 is attached as per Annexure I to the Directors Report.

6. RISK MANAGEMENT COMMITTEE

As per the provisions of Regulation 21 of SEBI LODR Regulations, 2015, Top 100 listed entities determined on the basis of market capitalization as at the end of immediate previous financial year shall constitute a Risk Management Committee. We would like to inform you that the Company does not fall under the said category and accordingly, the Regulation 21 is not applicable to the Company. However, the Company being essentially an Investment Company registered with RBI as Non-Banking Financial Company, its main sources of income are dividend/income receivable on investments in Equity Shares/Debentures/Bonds made and held by it in other companies and Mutual Funds.

The financial business is always prone to risks of capital market fluctuations and economic cycle. To monitor and manage the risk associated with the investment business, the Company has also constituted Risk Management Committee pursuant to the RBI Directions.

The Committee comprises of three non-executive directors under the Chairmanship of Prof. K. S. Maini, Mr. Dinesh Gogna and Dr. S.K. Singla, as members. The main term of reference of the Committee is to review and monitor the risk associated with Company's business and suggest measures for mitigation of the same as per Company's Risk Management Policy.

During the year under review, the Committee met four times i.e. on 29th May, 2018, 29th August, 2018, 30th November, 2018 and 11th February, 2019. The attendance record of the Members at the Meetings held during the year 2018-19 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Prof. K.S. Maini	4	3
Dr. S.K. Singla	4	3
Mr. Dinesh Gogna	4	4

7. INVESTMENT COMMITTEE

The Company's primary business activities are investment activities comprising of Long Term investment activities i.e. Long Term Capital, Strategic Investments and Short Term Investment activities i.e. Trading Investment. The Company regularly makes investments in Primary and Secondary Market directly as well as through Mutual Funds and Portfolio Management Services etc. The Company has constituted the Investment Committee to review and take investment decisions from time to time. Before making the investment whether short term or long term, the Investment Committee duly scrutinize the Scheme considering all the pros and cons of the scheme and only after its approval the investment is made.

The Committee comprises of three directors namely; Mr. Dinesh Oswal as Chairman, Mr. Dinesh Gogna, Non-Executive Director and Prof. K.S. Maini, Independent Director are other members of the Committee. During the year under review, the Committee met twelve times i.e. on 24th April, 2018, 25th May, 2018, 15th June, 2018, 16th July, 2018, 6th August, 2018, 18th September, 2018, 15th October, 2018, 20th November, 2018, 18th December, 2018, 15th January, 2019, 4th February, 2019 and 15th March, 2019. The attendance record of the Members at



the Meetings held during the year 2018-19 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	12	12
Mr. Dinesh Gogna	12	12
Prof. K.S. Maini	12	8

8. ASSET LIABILITY MANAGEMENT COMMITTEE

The Company has constituted the Asset Liability Management Committee pursuant to the RBI Circular No. DNBS (PD) CC No. 15/02.01/2000-2001 dated June 27, 2001 to monitor the Asset Liability Mismatch in the books of accounts of the company. The Committee comprises of Mr. Dinesh Oswal as Chairman, Mr. S.K Sharma and Prof. K.S. Maini as the members of the Committee. During the year under review, the Committee met twice i.e. on 29th May, 2018 and 15th October, 2018. The attendance record of the Members at the Meetings held during the year 2018-19 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	2	2
Mr. S.K. Sharma	2	2
Prof. K.S. Maini	2	1

9. IT STRATEGY COMMITTEE

As a part of good Corporate Governance, the Company has constituted the IT Strategy Committee pursuant to the requirements of the RBI Master Direction - Information Technology Framework for the NBFC Sector, to carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance. The Committee comprises of three members namely; Dr. Manisha Gupta, as Chairperson, Mr. Hans Raj Kapoor, Chief Financial Officer and Mr. Puneet Kumar, IT Officer as the members of the Committee. During the year under review, the Committee met twice i.e. on 6th August, 2018 and 15th January, 2019. The attendance record of the Members at the Meetings held during the year 2018-19 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. Manisha Gupta	2	2
Mr. Hans Raj Kapoor	2	2
Mr. Puneet Kumar	2	2

IV. GENERAL BODY MEETINGS

i. Location and time, where last three Annual General Meetings held:

Financial Year	Location	Date	Time
2015-2016	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana.	30.09.2016	03.30 P.M.
2016-2017	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana.	26.09.2017	12.00 Noon
2017-2018	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana.	28.09.2018	12.00 Noon

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

2015-2016 To reappoint Mr. Dinesh Oswal, Managing Director of the Company

2016-2017 1.To re-appoint Prof. Kanwar Sain Maini (DIN: 00454686) as an Independent Director of the Company to hold office for a period of 3 (three) consecutive years,
2.To re-appoint Dr. Suresh Kumar Singla (DIN: 00403423) as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years, and
3.To re-appoint Dr. Amrik Singh Sohi (DIN: 03575022) as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years.

2017-2018 1.To approve the payment of remuneration to Mr. Dinesh Oswal, Managing Director, as approved by the Central Government,
2.To approve continuation of holding of office as Non-Executive Director by Mr. Jawahar Lal Oswal (DIN: 00463866), upon attaining the age of 75 years, and



3. To approve continuation of holding of office as an Independent Director by Prof. Kanwar Sain Maini (DIN: 00454686), who has attained the age of 75 years.

iii. Whether any Special Resolution passed last year through postal ballot.

No Special Resolution was passed during the financial year ended 31.03.2019 through postal ballot.

iv. Person who conducted the postal ballot exercise:

Not applicable as no special resolution was passed during the financial year ended 31.03.2019 through postal ballot.

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

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

vi. Procedure for postal ballot.

Whenever any special resolution will be conducted through postal ballot, the procedure for postal ballot shall be as per the applicable provisions of Companies Act, 2013 read with Listing Regulations.

V. MEANS OF COMMUNICATION

a. Quarterly Results:

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

b. Newspapers wherein results normally published:

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

c. Any website, where displayed:

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

The Quarterly and Annual Financial Statement along with the Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report, Cash Flow Statement, Corporate Governance Report, Report on Management Discussion and Analysis and Shareholding Pattern etc. can also be retrieved by the investors from the website of the Company, BSE Limited and National Stock Exchange of India Limited.

d. Whether it also displays official news releases

Whenever any official news is released, the same is

also displayed on the Company's website i.e. www.owmnahar.com.

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

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

VI. GENERAL SHAREHOLDERS INFORMATION

a. Annual General Meeting

Date : 30th September, 2019
Day : Monday
Time : 12.00 Noon
Venue : Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

b. Financial Year: Financial year of the Company comprises of twelve months i.e. 1st April, 2018 to 31st March, 2019

c. Dividend : On or before 10th October, 2019

Payment Date

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

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

The National Stock Exchange of India Ltd (NSE)	The BSE Limited (BSE)
"Exchange Plaza",	25th Floor,
Plot No. C/1 G-Block,	P.J. Towers,
Bandra-Kurla Complex,	Dalal Street, Fort,
Bandra (East),	Mumbai -400 001.
Mumbai-400051	

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

f. Stock code: For trading at NSE: NAHARCAP
For trading at BSE: 532952

g. Demat ISIN number in NSDL and CDSL for Equity Shares: INE049I01012

The annual custodian fees for the financial year 2019-20 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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

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



Month	BSE		NSE	
	High	Low	High	Low
April, 2018	149.40	124.55	149.90	124.10
May, 2018	141.20	115.00	139.50	114.00
June, 2018	139.00	108.10	132.00	108.30
July, 2018	114.40	103.55	115.00	103.00
August, 2018	135.00	114.95	132.25	110.30
September, 2018	123.00	100.00	123.80	100.05
October, 2018	105.00	86.60	105.80	90.05
November, 2018	110.00	95.50	108.50	95.00
December, 2018	102.00	90.50	99.00	90.00
January, 2019	96.80	87.30	97.30	87.10
February, 2019	91.00	74.75	89.00	72.50
March, 2019	98.80	78.05	102.90	79.70

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

i. Performance in comparison to broad based indices such as BSE Sensex

The Company's equity shares are listed at BSE and NSE. Accordingly, comparison between Nahar Capital and Financial Services Limited closing price variation and BSE Sensex in percentage from April, 2018 to March, 2019 is as under:

Financial year	Share Price of the Company Nahar Capital Ltd.				BSE Sensex			
	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age change over last months closing	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age change over last months closing
April, 2018	149.40	124.55	136.20	10.73	35213.30	32972.56	35160.36	6.65
May, 2018	141.20	115.00	127.65	-6.28	35993.53	34302.89	35322.38	0.46
3 June, 2018	139.00	108.10	110.90	-13.12	35877.41	34784.68	35423.48	0.29
July, 2018	114.40	103.55	111.15	0.23	37644.59	35106.57	37606.58	6.16
August, 2018	135.00	114.95	124.50	12.01	38989.65	37128.99	38645.07	2.76
September, 2018	123.00	100.00	101.25	-18.67	38934.35	35985.63	36227.14	-6.26
October, 2018	105.00	86.60	98.00	-3.21	36616.64	33291.58	34442.05	-4.93
November, 2018	110.00	95.50	95.55	-2.50	36389.22	34303.38	36194.30	5.09
December, 2018	102.00	90.50	91.50	-4.24	36554.99	34426.29	36068.33	-0.35
January, 2019	96.80	87.30	90.00	-1.64	36701.03	35375.51	36256.69	0.52
February, 2019	91.00	74.75	80.00	-11.11	37172.18	35287.16	35867.44	-1.07
March, 2019	98.80	78.05	90.50	13.13	38748.54	35926.94	38672.91	7.82

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

j. In case the securities are suspended from trading, reason thereof

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

k. Registrar to an issue and Share Transfer Agents

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, the Company has appointed M/s Alankit Assignments Ltd. New Delhi, as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the Shareholders, Investors, Members of the Stock Exchanges,

Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar whose address and telephone nos. etc. have already been mentioned in the Directors' Report.

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

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

l. Share Transfer System

The Company has constituted a Share Transfer Committee consisting of four members, namely Mr. Dinesh Oswal, Managing Director, Mr. Dinesh Gogna, Prof. K.S. Maini, Directors and Mrs. Anjali Modgil, Company Secretary of the Company. Share Transfer Committee meets twice in a month to approve the transfer / transmission / transposition, issue of duplicate share certificates & dematerialization of shares and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 2013/ Listing Regulations.

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

m. Distribution of Shareholding

As on 31st March, 2019, your Company had 11197 shareholders having a total of 1,67,46,167 Equity Shares. The following is the distribution of Shareholding:

No. of share held	No. of holders	Percentage of Share-holders	Aggregate shares Held	Percentage of Share holding
1-500	10001	89.32	1216883	7.27
501-1000	607	5.42	450941	2.69
1001-2000	273	2.44	396209	2.37
2001-3000	103	0.92	354029	1.52
3001-4000	41	0.37	143334	0.86
4001-5000	37	0.33	171247	1.02
5001-10000	57	0.51	397800	2.37
10001 and above	78	0.69	13715724	81.90
Total	11705	100.00	16746167	100.00

**n. Shareholding Pattern as on March 31, 2019**

Shares held by	No. of Shares	Percentage of Shareholding
Banks and Mutual Funds	4710	0.03
Foreign holdings (FIIs, NRIs, OCBs)	212885	1.27
Body Corporates	613668	3.66
General Public	4024769	24.03
Promoter	11792005	70.42
Shares Transferred to IEPF	98130	0.59
Total	16746167	100.00

o. Dematerialisation of Shares and Liquidity:

The Securities and Exchange Board of India (SEBI) has included Company's scrip in compulsory Demat settlement for all type of investors. Thus, the dealing in Company's equity shares can be in Demat form only. To facilitate holding and trading of securities in electronic form, your Company has established connectivity with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). The investors have an option to dematerialize their equity shares with either of the Depositories. As on 31st March, 2019, 1,64,57,004 comprising 98.27% of the total Equity Capital of the Company has been dematerialized. Shares of the Company are actively traded on the BSE Limited and the National Stock Exchange of India Limited.

p. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

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

q. Commodity price risk or foreign exchange risk and hedging activities:

During the year, the Company has not dealt in any commodity market and foreign exchange, thus there is no commodity price risk or foreign exchange risk. Further, the Company is not involved in any hedging/speculative activities.

r. Plant Locations:

The Company does not have any plant as the Company is not in any manufacturing activities.

s. Address for correspondence:

"NAHAR TOWER"
375, Industrial Area-A,
Ludhiana-141003 (Pb.)
Phone No. : 0161-2600701-705
Fax No. : 0161-2222942
E-mail address : secncfs@owmnahar.com
Website : www.owmnahar.com

t. Credit Ratings:

As on 31st March, 2019, the Company has obtained credit rating of "[ICRA] A1+" (pronounced as ICRA A one plus+) from M/s. ICRA Limited for the proposed Short Term Debt / Commercial Paper Programme of the Company for Rs. 25 Crores. The rating assigned to the Company is considered to have very strong degree of safety regarding timely payment of financial obligations and such instruments carry lowest credit risk. There has been no change in rating for the aforesaid instrument.

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

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

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

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

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

The Board, pursuant to the provisions of Section



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

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

The company has complied with all the mandatory requirements of Corporate Governance as prescribed in Listing Regulations. Besides, the Company has also complied with the non mandatory requirements in respect of Corporate Governance as specified Part E of Schedule II of Listing Regulations as detailed below:

i. Un-modified opinion(s) in audit report: The Company is already in a regime of financial statements with un-modified audit opinion.

ii. Separate posts of Chairman and CEO: Mr. Jawahar Lal Oswal is the Chairman of the Company and Mr. Dinesh Oswal is Managing Director of the Company. Thus the post of Chairman and Managing Director are held by different persons.

iii. Reporting of internal auditor: The internal auditor of the Company may report directly to the Audit Committee.

The Company is yet to comply with other non mandatory requirements of the Corporate Governance as specified in Part E of Schedule II of the Listing Regulations.

5. Web link where policy for determining 'material'

subsidiaries is disclosed:

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

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

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

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

During the year, the Company has not dealt in any commodity market and foreign exchange, thus there is no commodity price risk or foreign exchange risk. Further, the Company is not involved in any hedging/speculative activities.

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

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

9. Certification from Company Secretary in Practice:

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

10. Recommendation of Committees:

In the financial year 2018-19 the board has accepted all recommendations of its Committees.

11. Fees paid to Statutory Auditors:

The total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditors is a part, is Rs. 78262/-.

12. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and



Redressal) Act, 2013:

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

13. Prevention of Insider Trading:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. 1st April, 2019, the Company has accordingly amended its "Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of Conduct to regulate, monitor and report trading by insiders. The Codes help to regulate trading in securities by the designated persons. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary being the Compliance Officer is responsible for implementation of the Code.

14. Dividend Distribution Policy:

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

15. Reconciliation of Share Capital Audit:

The Securities and Exchange Board of India has directed vide Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid up capital. The said certificate duly certified by a Practicing Company Secretary is submitted to the Stock Exchanges within 30 days of the end of each quarter.

16. CEO and CFO Certification:

As required under Regulation 17(8) of SEBI LODR

Regulations, 2015, a Certificate duly signed by the Managing Director and Chief Financial Officer was placed at the meeting of Board of Directors held on 30.05.2019.

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

The Company has complied with all the requirements of Corporate Governance Report from sub-paras (2) to (10) of Part C of Schedule V of SEBI LODR Regulations, 2015.

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

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

X. CODE OF CONDUCT

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

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

a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at



- the beginning of the year: Nil
- b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- c. Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable
- All the shares of the Company has already been allotted to the eligible allottees, hence there is no demat suspense account/unclaimed suspense account.
- FOR AND ON BEHALF OF THE BOARD**
- PLACE : LUDHIANA** **JAWAHAR LAL OSWAL**
DATED :13TH AUGUST,2019 **(CHAIRMAN)**
DIN:00463866

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

To
The Members of Nahar Capital and Financial Services Limited
Ludhiana

I have examined the relevant records of **NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED** for the purpose of certifying compliance of requirements in Clause 10 (i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2019.

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

For P.S. Bathla & Associates
Company Secretaries

Sd/-
P.S. Bathla
(Proprietor)
FCS: 4391/CP No. 2585

PLACE: LUDHIANA
DATED: 13TH AUGUST, 2019



MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all Board Members and Senior Management Personnel of the Company (as defined in the abovesaid Regulations) have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel' for the year ended 31st March, 2019.

Place: LUDHIANA
Dated: 13TH AUGUST, 2019

DINESH OSWAL
(MANAGING DIRECTOR)
(DIN: 00607290)

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Nahar Capital and Financial Services Limited,
Ludhiana

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

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

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

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

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

Sd/-
NEHA KANSAL
(Partner)
Membership No. 540386

PLACE: LUDHIANA
DATED: 13TH AUGUST, 2019



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

Non-banking financial companies (NBFCs) are an important alternative channel of finance in India's bank dominated financial sector. NBFCs supplement banks by providing the infrastructure to allocate surplus resources to individuals and companies. Additionally, NBFCs also introduces competition in the provision of financial services. While banks may offer a set of financial services as a packaged deal, NBFCs unbundle and tailor these services to meet the needs of specific clients. NBFCs provide multiple alternatives to transform an economy's savings into capital investment.

Non-bank financial companies (NBFCs) offer most sorts of banking services, such as loans and credit facilities, private education funding, retirement planning, trading in money markets, underwriting stocks and shares, TFCs (Term Finance Certificate) and other obligations. These institutions also provide wealth management such as managing portfolios of stocks and shares, discounting services e.g. discounting of instruments and advice on merger and acquisition activities. NBFCs diversify the financial sector, which may alleviate a systemic crisis.

During the year 2018-19, the financial crisis due to defaults by a large prominent financial institution of the country and few other NBFCs, led to negative sentiments of Financial Investors as well as drying-up bank lending, thereby forcing NBFCs to scout for alternate sources of funding at higher cost. In February 2019, Reserve Bank of India (RBI) had eased risk weight norms to increase credit flow to NBFCs. The move is aimed at not only freeing up capital for banks for further lending but also slash borrowing costs for well-rated NBFCs, which have been grappling with a systemic liquidity crisis.

The non banking financial sector in India has recorded marked growth in the recent years, in terms of the number of Non-banking financial companies (NBFCs), their deposits and so on. It continued to grow its share in the financial services industry. Data published by the RBI in its Financial Stability Report dated 31st December, 2018 show that NBFCs have outperformed scheduled commercial banks (SCBs) on growth in advances, asset quality and profitability. This growth momentum of NBFCs should result in their share in financial services sector increasing in the near future. The profitability of NBFCs improved on the back of fund-based income, low NPA levels relative to banks and strong capital buffers. Recent concerns about asset-liability mismatches have been tried to be proactively addressed through liquidity provisions by the Reserve Bank. In order to provide NBFCs with greater operational flexibility, the RBI has merged the categories of NBFCs classified as asset finance companies, investment companies and loan companies into a new category called NBFC - Investment and Credit Company ("NBFC-ICC").

Pursuant to RBI's regulatory framework, your Company continue to be categorized as "Systemically Important Non-

deposit taking NBFCs (NBFCs-ND-SI) having asset size above Rs. 500 Crores". Your Company is mainly doing investment activities with long term perspective as well as doing trading and Lending activities. Further, the Company is also doing real estate activities for higher yields.

Opportunities and Threats

India's GDP growth slumped to 6.8% in FY19 compared to 7.2% in FY18 due to lower growth in agriculture and mining sector, lower government spending on public administration and weakness in domestic and external demand conditions. While both manufacturing and services sectors remained supportive of overall growth. Further, on structural reforms front, the Goods and Service Tax (GST) and the Insolvency and Bankruptcy Code (IBC) continued evolving during the year.

Recent developments in the Non-banking financial companies (NBFC) sector have brought the sector under greater market discipline as the better performing companies continued to raise funds. India has a lot of un-banked and under banked consumers and businesses. Hence, there is a lot of potential for NBFCs to tap that area. Regardless of the recent panic and concerns surrounding the sector, NBFCs with robust business models, strong liquidity mechanism, governance and risk management standards are well positioned to take benefit of the market opportunity in the long run. The NBFCs are being recognized as being vital for economic growth.

During the financial year 2018-19, your Company maintained allocation of funds in Fixed Maturity Instruments, Debt Mutual Funds, Debentures, Tax Free Bonds, Perpetual Bonds and Preference Shares etc., which helped in better Asset Portfolio Management. The Company also invested in Debt Structures, Higher Equity Yield Structures, Real Estate Alternate Investment Funds, increased allocation in equity through reputed Portfolio Fund Managers, allocation in Private Equity Funds etc. to get the better returns through diversified portfolio. Keeping in view the key policy changes by Government and RBI, the Company decided to have reasonable investment in Equity Market to participate in overall growth of Industry and Economy. Change in Government policies and rate of interest revisions will affect the valuation of investments made by Company.

Your Company is cautious of geo-political and financial threats, higher volatility in Equity Markets, NBFCs' defaults and high NPA's in Public Sector Banks while making new investments. During the year, the Company will invest cautiously in safe securities, Global Investment opportunities and focus on new business/Investment opportunities for diversification and to earn higher returns.

Future Outlook

The Indian economy is expected to grow at less than 7% in FY 2019-20 on account of steady improvement in major sectors as government and private consumption remains mildly robust and investment is steadily picking up. However, global



slowdown and tight financial conditions are likely to impact India's growth during FY20. Due to impact of general elections, financial markets and capital inflows too may witness volatility in FY20. On the positive note, a strong political mandate ensures political stability and policy continuity. The Business Expectations Index of the Reserve Bank's industrial outlook survey shows muted expansion in demand conditions in Q2 of FY2019-20, although a decline in input costs augurs well for growth. The impact of monetary policy easing since February 2019 is also expected to support economic activity, going forward.

The Company also intends to continue focusing on diversifying its business into new avenues of Investment/financial deals with lower risk to earn reasonable returns such as Structured Products, Fixed Income Securities/Deposits, Private Equity Venture Funds, Real Estate Alternate Investment Funds, Perpetual Bonds of Banks, Infrastructure and Tax Free Bonds, Latest Portfolio Management Schemes, Foreign Funds, Mutual Fund Schemes with Hedging Option etc. along with expanding its business into new areas of financial activities and making its best efforts to utilize the available opportunities with caution and emerge as fully Integrated Financial Company.

The Company will strive to do the financial business, focused on delivering consistent and superior returns to the company's shareholders and at the same time maintaining the high levels of safety. We have created an organization, keeping our aspirations and business model in mind. Your Company has recognized its role as a corporate citizen and continuously endeavors to adopt the best practices and the highest standards of corporate governance. Your Company will continuously focus on its resources, strengths and strategies to achieve its vision keeping the above strategic intent in mind.

Risks and Concerns

As a NBFC, the Company is exposed to market risk, global risk, regulatory risk, credit risk, liquidity risk, competition risk and interest rate risk etc. which can affect the return on investments and financial business in unexpected way. Sustained efforts to strengthen the risk framework and portfolio quality have yielded consistently better outcomes for the Company.

The Company's balanced approach to portfolio management has enabled it to get early warning signals because of corrective measures taken by company from time to time. Majority of the portfolio continues to remain healthy and in the growth mode. With the use of sophisticated analytics, the Company has maintained its portfolio quality across the year and taken risk mitigating policy actions when required. The Company is also using the services of reputed rating agency, CRISIL, to evaluate and review the investments of the Company.

As part of the Risk Management framework, the Company has also constituted the Risk Management Committee comprising of three Non-Executive Directors to monitor risk tolerance limits, review and analyze risk exposure related to specific

issues and provides oversight of risk across the organization. The Risk Management Committee met four times during the financial year under review. The Company is having Risk Management Policy and Fair Practice Code to strengthens the investment decisions and also for better risk management.

Internal Control Systems and Their Adequacy

The Company is maintaining an efficient and effective system of Internal Financial Control for the facilitation of speedy and accurate compilation of financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations as well as procedures. Further, the statutory auditors of the Company have verified the systems and processes and confirmed that the internal financial controls system over financial reporting is operating effectively.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed M/s. Piyush Singla & Associates, Chartered Accountant as Internal Auditor of the Company. The Company is also having an Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and to suggest improvement in the systems. The Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

The Company's Internal Financial Control System commensurate with the nature of its business and the size of its operations. In order to further strengthen the Internal Control System and to automate the various processes of the business, Company is making use of Enterprises Resource Planning (ERP). The Asset Liability Management (ALM) concerned with the effective risk management in various Portfolios is also framed by the Company.

The Indian Accounting Standards (Ind AS) have become applicable to the Company w.e.f. 1st April, 2018 (transition date being 1st April, 2017). Accordingly, financial statements have been prepared in accordance with the Companies (India Accounting Standards) Rules, 2016. The Company also appointed M/s. Grant Thornton India LLP, Noida, a leading consultancy firm in the Accounting / Financial matters, to advise the Company on convergence of Ind AS.

Apart from this, an Audit Committee consisting of three Non-Executive Directors has been constituted. All the significant audit observations and follow up actions thereon are taken care of by the Audit Committee. The Committee oversees the adequacy of Internal Control. The Audit Committee met four times during the financial year under review. The Company has also established a Vigil Mechanism as per Section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies



(Meeting of Board and its Powers) Rules, 2014.

Financial/Operational Performance

During the year, the Company achieved a total income of Rs. 2516.77 Lakhs with a net profit before tax of Rs. 1494.06 Lakhs. The detailed performance has already been discussed in the Directors' Report under the column 'Financial Review'.

Your Company continued to reward shareholders with regular dividends. Considering the growth and consistent profits, the Board has proposed a payment of dividend of Rs. 1.50/- per equity share (30%) for the year ending March 31, 2019 on equity shares.

Human Resources/Industrial Relations

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. 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 total permanent employee's strength of the Company was 19 as on 31st March 2019.

Significant changes in Key Financial Ratios

As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to provide details of significant changes (change of 25% or more as compared to immediately previous financial year) in key financial ratios. Accordingly, the Company has identified the following ratios as key financial ratios:-

Ratio	Unit	31.03.2019	31.03.2018	% Change
Debt/Equity Ratio	times	0.007	0.032	-79.39
Interest Coverage Ratio	times	37.64	63.36	-35.64
Return on Net Worth	%	1.56	2.52	-38.10
PBT/Total Income	%	59.36	77.53	-23.44
Capital Adequacy	%	95.48	90.70	5.27
Tier I Capital	%	95.48	90.70	5.27
Tier II Capital	%	0.00	0.00	0.00

Explanation for Change of 25% or more in Key Financial Ratios

High volatility in equity market in FY 2018-19 amidst geopolitical risks such as trade wars and Brexit etc., adverse Banking scenario, slowing global growth and liquidity crisis in NBFCs coupled with lower corporate profitability affected the profitability of the Company during the year as compared to last year thereby affecting the Company's Interest Coverage Ratio, PBT/Total Income Ratio and Return on Net Worth Ratio. Due to fall in borrowings during the year, the Debt/Equity Ratio have improved.

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: 13TH AUGUST, 2019**

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



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
M/s. NAHAR CAPITAL & FINANCIAL SERVICES LIMITED
 LUDHIANA
 Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Investments as on 31st March, 2019 (Refer to Note no.8 and 13 to the notes to the standalone financial statements)	
This is the largest asset on the balance sheet. Our audit effort has increased in this area and in particular, there is significant focus on considering whether the underlying investments are valued appropriately.	<ul style="list-style-type: none"> Testing whether associated controls in respect of the valuation process are operating properly and assessing whether the valuation process is appropriately designed and captures relevant valuation inputs.

These included investments in quoted and unquoted equity shares, mutual funds, preference shares and tax free bonds. Investments also include investment in associate company.

The valuation of investments is based on a range of inputs. Many of the inputs required can be obtained from readily available liquid market prices and rates. Where observable market data is not available, estimates must be developed based on the most appropriate source data and are subject to a higher level of judgement.

Accordingly, investment was determined to be a key audit matter in our audit of standalone financial statements.

- Assessing the availability of quoted prices in liquid markets.
- Performing our own independent price checks using external quotes for liquid positions and to identify any potential impairment.
- We also assessed whether the Company's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application



of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March



31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

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

Place : Ludhiana
Dated : 30.05.2019

CA Neha Kansal
(Partner)
M.No.540386

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of NAHAR CAPITAL & FINANCIAL SERVICES

LIMITED("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit



preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place : Ludhiana
Dated : 30.05.2019**

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NAHAR CAPITAL & FINANCIAL SERVICES LIMITED of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on the physical verification.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to one body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:



- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax, Sales Tax, Duty of Excise, Service Tax, GST and value added tax have not been deposited by the Company on account of disputes as at 31.03.2019.

Name of Statute	Nature of dues	Amount (Unpaid)	Period to which it relates	Forum Where dispute is pending
The Income Tax Act, 1961	Income Tax	1143600	2013-2014	CIT (A), Ludhiana
The Income Tax Act, 1961	Income Tax	1823030	2015-2016	CIT (A), Ludhiana

- viii. The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the

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

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Place : Ludhiana
Dated : 30.05.2019**

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

**BALANCE SHEET AS AT 31st MARCH, 2019**

ALL AMOUNT IN LAKHS RUPEES, UNLESS OTHERWISE STATED

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	3	19.76	18.67	33.33
Bank balances other than above	4	43.06	38.00	110.73
Loans	5	42.14	41.50	147.70
Investments	6	68,663.88	73,321.66	70,848.37
Others financial assets	7	214.84	137.69	42.65
Total Financial assets		68,983.68	73,557.52	71,182.78
Non - financial assets				
Inventories	8	3,286.80	622.80	703.93
Current tax assets	9	3.24	53.44	53.65
Investment Property	10	3,753.39	1,979.42	1,733.16
Property, plant and equipment	11	4.15	5.66	6.19
Other non financial assets	12	1,131.17	3,422.99	1,840.52
Total Non financial assets		8,178.75	6,084.31	4,337.45
TOTAL		77,162.43	79,641.83	75,520.23
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	6.49	3.99	160.00
Borrowings (Other than Debt Securities)	14	496.10	2,425.82	1,473.54
Other financial liabilities	15	871.31	782.63	134.78
Total financial liabilities		1,373.90	3,212.44	1,768.32
Non-financial liabilities				
Current tax liabilities	16	109.31	-	-
Provisions	17	2.19	14.81	1.20
Deferred tax liabilities	18	6.77	156.49	353.09
Other non-financial liabilities	19	43.62	48.65	82.31
Total non-financial liabilities		161.89	219.95	436.60
EQUITY				
Equity share capital	20	837.31	837.31	837.31
Other equity	21	74,789.33	75,372.13	72,478.00
Total equity		75,626.64	76,209.44	73,315.31
TOTAL		77,162.43	79,641.83	75,520.23

The accompanying notes form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For YAPL & Company
Chartered Accountants
FRN 017800N

For and on behalf of the Board of Directors of
Nahar Capital And Financial Services Limited

Neha Kansal
Partner
M No:540386

Anjali Modgil
Company Secretary

Hans Raj Kapoor
Chief Financial Officer

Dinesh Oswal
Managing Director
DIN: 00607290

Jawahar Lal Oswal
Chairman
DIN: 00463866

Place: Ludhiana
Date: 30 May 2019



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

ALL AMOUNT IN LAKHS RUPEES, UNLESS OTHERWISE STATED

Particulars	Note No.	For Year ended March 31, 2019	For Year ended March 31, 2018
INCOME			
Interest income	22	269.47	286.96
Dividend Income	23	639.96	1,132.91
Rental Income	24	163.17	131.40
Net gain on fair value changes	25	34.96	173.10
Net gain on derognition of financial instruments under amortised cost category		0.00	0.00
Total revenue from operations (I)		1,107.56	1,724.37
Other income	26		
Net gain on fair value changes		1,032.78	1,146.60
Net gain on derognition of financial instruments under amortised cost category		372.68	142.37
Other income		3.74	8.80
Total other income (II)		1,409.21	1,297.77
Total income (I+II)		2,516.77	3,022.14
Expenses:			
Finance costs	27	40.78	37.57
Fees and commission expense	28	263.69	12.32
Net loss on fair value changes		-	-
Impairment on financial instruments	29	197.31	109.42
Purchases of Stock-in-trade		2,664.00	-
Changes in Inventories of stock-in-trade		(2,664.00)	-
Employee benefits expenses	30	373.47	365.95
Depreciation and amortisation	31	43.67	32.25
Other expenses	32	103.78	121.65
Total expenses		1,022.70	679.16
Profit before tax		1,494.07	2,342.98
Tax expense	33		
Current tax		369.97	523.98
Deferred tax charge		(56.05)	(128.58)
MAT credit utilised		-	-
Previous year income tax		-	29.67
Total Tax Expense		313.92	425.07
Net Profit for the year		1,180.15	1,917.91
Other comprehensive income			
A. Items that will not be reclassified to profit and loss			
Changes in fair value of FVOCI equity instruments		(1,466.15)	1,220.20
Remeasurements of post-employment benefit obligations		(2.28)	(13.66)
Income tax relating to items that will not be reclassified to profit or loss		94.34	72.01
Other comprehensive income/(loss) for the year		(1,374.09)	1,278.55
B			
i) Items that will be reclassified to profit or loss			
ii) Income tax relating to items that will be reclassified to profit or loss			
Total comprehensive income/(loss) for the year			
Profit after tax		(193.94)	3,196.46
Earnings per equity share	34		
Equity shares of par value Rs.5 each			
Basic		7.05	11.45
Diluted		7.05	11.45

The accompanying notes are an integral part of the standalone financial statements
This is the Profit & Loss statement referred to in our report of even date

For YAPL & Company
Chartered Accountants
FRN 017800N

For and on behalf of the Board of Directors of
Nahar Capital And Financial Services Limited

Neha Kansal
Partner
M No:540386

Anjali Modgil
Company Secretary

Hans Raj Kapoor
Chief Financial Officer

Dinesh Oswal
Managing Director
DIN: 00607290

Jawahar Lal Oswal
Chairman
DIN: 00463866

Place: Ludhiana
Date: 30 May 2019



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

	(Rs. in Lakhs)	
	For year ended March 31, 2019	For year ended March 31, 2018
A Cash flow from operating activities		
Profit before tax	1494.07	2342.98
Adjustments for:		
Depreciation and amortisation expense	43.67	32.25
Loss on disposal of property, plant and equipment (net)	0.00	5.84
Interest income on fixed deposit and financials assets measured at amortised cost	269.48	286.96
Dividend income classified as investing cash flows	639.96	1132.90
Impairment on financial instruments	197.31	109.42
Provision for doubtful debts		
Gain on equity instruments through other comprehensive income		
Fair value gain/(loss) on investments	34.96	173.10
Remeasurement gains and loss on employee benefit obligations	-2.28	-13.66
Corporate social responsibility expenses	-86.02	0.00
Current tax assets	0.00	0.00
Interest paid	40.78	37.57
Operating profit before working capital changes	2631.92	4107.36
Inflow/(outflow) on account of:		
Loans	-0.64	-0.21
Investments	4657.77	-2473.29
Bank balance other than cash and cash equivalents	-5.06	72.73
Inventory	-2664.00	81.14
Other financial assets	-77.15	-95.05
Other non-financial assets	2291.82	-1582.47
Trade and other payables	2.50	-156.01
Short term borrowings	-1929.71	952.28
Provisions	-12.61	13.61
Other financial liability	88.66	647.97
Other non-financial liability	-5.03	-33.66
Cash used in operating activities post working capital changes	4978.48	1534.40
Income tax paid (net)	-209.80	-549.46
Net cash inflow from/ (used in) operating activities (A)	4768.68	984.94
B Cash flows from investing activities		
Purchase of Property, plant and equipment and investment property	-1816.13	-994.07
Sale of investment property	0.00	710.25
Dividend received	-639.96	-1132.90
Interest received	-269.48	-286.96
Fair value of investments	-34.96	-173.10
Impairment on financial instrument	-197.31	-3.00
Investments of equity instruments in other comprehensive income	-1466.15	1220.20
Proceeds from sale of property, plant and equipment and investment property		
Net cash inflow from/ (used in) investing activities (B)	-4423.98	-659.58
C Cash flows from financing activities*		
Interest paid	-40.78	-37.69
Dividend paid (including tax)	-302.83	-302.33
Net cash inflow from/ (used in) financing activities (C)	-343.60	-340.02
Net increase (decrease) in cash and cash equivalents (A+B+C)	1.10	-14.66
Cash and cash equivalents at the beginning of the year	18.67	33.33
Cash and cash equivalents at the end of the year	19.76	18.67

*Refer note 42 for reconciliation of liabilities arising from financing activities

This is the Cash Flow Statement referred to in our report of even date.

For **YAPL & Company**
Chartered Accountants
FRN 017800N

For and on behalf of the Board of Directors of

Nahar Capital And Financial Services Limited

Neha Kansal
Partner
M No:540386

Anjali Modgil
Company Secretary

Hans Raj Kapoor
Chief Financial Officer

Dinesh Oswal
Managing Director
DIN: 00607290

Jawahar Lal Oswal
Chairman
DIN: 00463866

Place: Ludhiana
Date: 30 May 2019



Notes forming part of Financial Statement for the year ending 31st March 2019

(All Amount in Lakhs Rupees, unless otherwise stated)

1. Company overview/Corporate information

Nahar Capital & Financial Services Limited ('the Company') is a public limited company and incorporated under the provisions of Companies Act. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-deposit taking Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ("RBI") in January 2008. The Company has been categorized as Systemically Important Non Deposit Taking Non-banking Financial Company (NBFCs-ND-SI) having asset size above Rs. 500.00 Crores as per systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) companies Prudential norms(Reserve Bank) Directions, 2015 of Reserve Bank of India. The main business activity of the Company is to carry on the business of investment in shares, debentures, stock, bonds and securities of all kinds and other businesses generally carried on by finance and investment companies. The company is domiciled in India and has its registered office at Ludhiana, Punjab, India. The CIN No. of the Company is L45202PB2006PLC029968 and RBI Registration no. is N-06.00588. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited.

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2019

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

a) Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in this financial statements.

The financial statements for the year ended March 31, 2019 are the first financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The financial statements up to and for the year ended March 31, 2018 were prepared in accordance with the accounting standard notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other applicable guidelines issued by the RBI, which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

As these are the Company's first financial statements prepared in accordance with Ind AS, the Company has applied, First time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 46

The financial statements for the year ended March 31, 2019 were authorized and approved for issue by the Board of Directors on 30 May 2019.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

b) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.



Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Depreciation on property, plant and equipment is provided on the straight-line basis as per the rates specified in Schedule II of the Companies Act, 2013. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

The Company fully depreciates the assets having individual value of Rs. 5,000 or less in the year of acquisition.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

Transition to Ind AS

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2017.

c) Investment Property

Properties held to earn rentals or / and for capital appreciation or both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes, are categorized as investment properties. These are measured initially at cost of acquisition, including transaction costs and other direct costs attributable to bringing asset to its working condition for intended use. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on straight line basis based on expected life span of assets which is in accordance with Schedule II of the Act. However, as per Ind AS 40, there is a requirement to disclose fair value as at the balance sheet date.

d) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Transition to Ind AS

The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2017

e) Inventories

Inventories represent Real Estate Properties held for trading and also property held for Joint Development agreement for construction of Residential cum Commercial Complex and these are measured at Fair Value in books of accounts.



f) Revenue recognition

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date. Profit/Loss on Sale of investments is considered at the time of sale/redemption.

Rental income

Rental Income is accounted for on accrual basis.

Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended usage sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

h) Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it is recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).



i) Employee benefits

Short-term employee benefits

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

Other long term employee benefit obligations:

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

Post-employment obligations:

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

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

Defined contribution plans

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

j) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

k) Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.



Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

m) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

- i. **Financial assets carried at amortised cost** - a financial asset is measured at the amortised cost if both the following conditions are met:



- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

- ii. **Investments in equity instruments** - Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- iii. **Investments in mutual funds/venture capital funds/alternative investment funds (AIF)** - Investments in mutual funds, venture capital funds and AIF are measured at fair value through profit and loss (FVTPL).
- iv. **Investments held for trading purposes** - The Company has investments in equity instruments, mutual funds, debentures, bonds etc. which are held for trading purposes and therefore, classified as at fair value through profit or loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Segment reporting



The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the executive committee ('chief operating decision maker') in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

q) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Provisions - At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets - Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) - Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

r) Standards issued but not yet effective as on date

Ind AS 116 'Leases'

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is April 1, 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements

Amendment to Ind AS 19, Employee benefits

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the



entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 109, Financial instruments

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.



Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
3 Cash and cash equivalents			
Cash on hand	0.23	0.38	0.66
Cheques, drafts in hand	-	-	-
Balance with bank			
- with scheduled banks in current accounts	10.41	3.92	22.62
- with scheduled banks held as PMS	9.12	14.37	10.05
Banks deposits having maturity of less than three months	-	-	-
Total	19.76	18.67	33.33
4 Bank balances other than above			
Bank deposits with banks	11.39	6.42	80.33
Earmarked Balances with banks for unpaid dividends	31.67	31.58	30.40
Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date	-	-	-
	43.06	38.00	110.73
5 Loans			
The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109.			
(A) Loans			
Loans repayable on demand	82.09	182.09	182.09
Other Loans			
to employees	1.09	0.45	0.24
Total (A) - Gross Loans	83.18	182.54	182.33
Less: Impairment loss allowance	(41.04)	(141.04)	(34.63)
Total (A) - Net Loans	42.14	41.50	147.70
Security Details			
Secured by tangible asset	82.09	82.09	82.09
Unsecured	1.09	100.45	100.24
Less: Allowance for impairment loss for loan assets			
Loans to employees	1.09	0.45	0.24
Total (B) - Gross Loans	83.18	182.54	182.33
Less: Allowance for impairment loss for loan assets	(41.04)	(141.04)	(34.63)
Total (B) - Net Loans	42.14	41.50	147.70
Loans in India	83.18	182.54	182.33
Loans outside India	-	-	-
Total (B) - Gross Loans	83.18	182.54	182.33
Less: Allowance for impairment loss for loan assets	(41.04)	(141.04)	(34.63)
Total (B) - Net Loans	42.14	41.50	147.70
5.1 Reconciliation between the figures reported under Ind-AS and actual amounts outstanding in respect of Loans:			
Net Loans	42.14	41.50	147.70
Add: Allowance for Expected Credit Loss netted off as per Ind-AS	41.04	141.04	34.63
Gross Loans	83.18	182.54	182.33



6. Investments at Fair Value

Particulars	Amortized cost	Through other comprehensive income	Through profit or loss	Sub-total	At Cost	TOTAL
As at March 31, 2019						
Investments						
A) In India						
Mutual Funds	-	-	17,511.62	17,511.62	-	17,511.62
Government securities	154.19	-	-	-	-	154.19
Debt Securities	2,717.30	-	791.08	791.08	-	3,508.38
Preference shares	1,766.61	-	-	-	-	1,766.61
Equity Instruments (Subsidiaries/Associates)	-	-	-	-	18,947.89	18,947.89
Equity Instruments (Other Group companies)	-	15068.77	-	15068.77	-	15068.77
Equity Instruments (Others)	-	7,279.40	1,510.39	8,789.79	-	8,789.79
AI/ Venture funds	-	-	2,824.55	2,824.55	-	2,824.55
Interest accrued					92.08	92.08
Total - Net	4,638.10	22,348.17	22,637.64	44,985.81	19,039.97	68,663.88

As at March 31, 2018						
Investments						
A) In India						
Mutual Funds	-	-	20,501.50	20,501.50	-	20,501.50
Government securities	154.19	-	-	-	-	154.19
Debt Securities	4,219.87	-	584.76	584.76	-	4,804.64
Preference shares	2,254.08	-	-	-	-	2,254.08
Equity Instruments (Subsidiaries/Associates)	-	-	-	-	18,947.89	18,947.89
Equity Instruments (Other Group companies)	-	16,820.71	-	16,820.71	-	16,820.71
Equity Instruments (Others)	-	6,117.61	1,413.85	7,531.46	-	7,531.46
AI/ Venture funds	-	-	2,242.78	2,242.78	-	2,242.78
Interest accrued					64.41	64.41
Total - Net	6,628.14	22,938.32	24,742.89	47,681.21	19,012.30	73,321.66

As at April 1, 2017						
Investments						
A) In India						
Mutual Funds	-	-	21,977.85	21,977.85	-	21,977.85
Government securities	154.19	-	-	-	-	154.19
Debt Securities	3,931.73	-	385.18	385.18	-	4,316.91
Preference shares	1,674.08	-	-	-	-	1,674.08
Equity Instruments (Subsidiaries/Associates)	-	-	-	-	18,947.89	18,947.89
Equity Instruments (Other Group companies)	-	15,973.97	-	15,973.97	-	15,973.97
Equity Instruments (Others)	-	5,076.22	958.55	6,034.77	-	6,034.77
AI/ Venture funds	-	-	1,561.72	1,561.72	-	1,561.72
Interest accrued					206.99	206.99
Total - Net	5,760.00	21,050.19	24,883.30	45,933.49	19,154.88	70,848.37



Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
7 Others financial assets			
Others	143.95	95.45	16.79
Security deposits	70.89	42.24	25.86
	214.84	137.69	42.65
8 Inventories			
Real Estate Property	3,286.80	622.80	703.93
	3,286.80	622.80	703.93
9 Current tax assets (net)			
Advance income tax	263.24	573.44	523.65
Less: Provision for income tax	260.00	520.00	470.00
Current tax assets (net)	3.24	53.44	53.65

10 Investment property

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2018	Additions	Disposal/ adjustments	As at 31 March 2019	As at 1 April 2018	Charge for the year	Adjustment disposal of assets	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Buildings	2,009.94	1,815.64	-	3,825.58	30.52	41.67	-	72.19	3,753.39	1,979.42
	2,009.94	1,815.64	-	3,825.58	30.52	41.67	-	72.19	3,753.39	1,979.42

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2017	Additions	Disposal/ adjustments	As at 31 March 2018	As at 1 April 2017	Charge for the year	Adjustment disposal of assets	As at 31 March 2018	As at 31 March 2018	As at 1 April 2017
Buildings	1,785.01	992.75	767.82	2,009.94	51.85	30.40	51.73	30.52	1,979.42	1,733.16
	1,785.01	992.75	767.82	2,009.94	51.85	30.40	51.73	30.52	1,979.42	1,733.16

10.1 Fair value of investment property:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Carrying Value	3,753.39	1,979.42	1,733.16
Fair Value	3,753.39	1,979.42	1,733.16

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from variety of sources including:

- current prices in an active market of similar properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- current circle rates in the jurisdiction where the investment property is located.

The fair values of investment property has been determined by an independent valuer and the main inputs used are circle rates and current prices of similar properties. All resulting fair value estimates for investment property are included in Level 3.

11 Property, plant and equipment

Particulars	Gross block			Depreciation			Net Block		
	* As at 1 April 2018	Additions	Disposal/ adjustments	As at 31 March 2019	* As at 1 April 2018	Charge for the year	Adjustment on disposal of assets	As at 31 March 2019	* As at 31 March 2018
Vehicles	11.57	-	-	11.57	7.14	1.43	-	8.56	4.43
Office equipment	3.17	0.49	-	3.66	1.94	0.57	-	2.51	1.23
Total	14.74	0.49	-	15.23	9.08	2.00	-	11.07	5.66

Particulars	Gross block			Depreciation			Net Block		
	* As at 1 April 2017	Additions	Disposal/ adjustments	As at 31 March 2018	* As at 1 April 2017	Charge for the year	Adjustment on disposal of assets	As at 31 March 2018	* As at 1 April 2017
Vehicles	11.57	-	-	11.57	5.71	1.43	-	7.14	5.86
Office equipment	1.85	1.32	-	3.17	1.52	0.42	-	1.94	0.33
Total	13.42	1.32	-	14.74	7.23	1.85	-	9.08	6.19

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

11.1 In the opinion of management, there are no events or changes in circumstances that indicate the impairment of PPE and Intangible Assets in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment has been made.

11.2 While the Company has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised certain borrowing costs on account of general borrowings at an average rate of borrowings for the Company in terms of Ind AS 23 'Borrowing Costs'.



Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
12 Other non financial assets			
Advances against property	-	2,375.90	-
Capital Advance	1,090.40	1,046.50	1,839.21
Balance with government authorities	39.52	-	-
Prepaid insurance	1.25	0.59	0.57
Prepaid expenses	-	-	0.74
	1,131.17	3,422.99	1,840.52
13 Trade payables			
Total outstanding dues of MSMED's	-	-	-
Total outstanding dues of creditors other than MSMED's	6.49	3.99	160.00
	6.49	3.99	160.00
14 Borrowings (Other than Debt Securities)*			
Secured loans			
Overdraft facility against investments	496.10	1,425.82	1,473.54
Inter Corporate Loan from Related Party	-	1,000.00	-
Total (A)	496.10	2,425.82	1,473.54
Borrowings in India	496.10	2,425.82	1,473.54
Borrowings outside India	-	-	-
Total (B)	496.10	2,425.82	1,473.54
15 Other Financial liabilities			
Interest accrued on borrowings	-	-	0.12
Interest accrued and due on borrowings	-	-	-
Security deposits	104.62	54.56	39.39
Advance against asset held for sale	600.00	600.00	-
Payable to employees	27.31	25.88	14.57
Unpaid dividend	31.67	31.58	30.40
Payables for capital goods	-	-	-
Derivative liability	-	-	-
Lease liability	-	-	-
Expenses payables	27.47	13.91	50.30
Other payables	80.24	56.70	-
	871.31	782.63	134.78
16 Current tax liabilities (net)			
Minimum alternate tax payable (net)	109.31	-	-
	109.31	-	-
17 Provisions			
Provisions for compensated absences(LWW)	0.61	1.21	1.20
Provision for gratuity	1.58	13.60	-
	2.19	14.81	1.20
18 Deferred tax liabilities (net)			
Deferred tax liabilities recognised on account of:			
Investments measured at fair value through profit and loss	6.77	156.49	353.09
Total deferred tax liabilities (net)	6.77	156.49	353.09

Movement in deferred tax liability for the year ended 31 March 2019

Particulars	As at April 1, 2018	Recognised in other comprehensive income/ equity	Recognised statement of profit and loss	As at March 31, 2019
Deferred tax liability:				
Investments measured at fair value through profit and loss	156.49		(149.72)	6.77



Movement in deferred tax liability for the year ended 31 March 2018

Particulars	As at April 1, 2017	Recognised in other comprehensive income/ equity	Recognised statement of profit and loss	As at March 31, 2018
Deferred tax liability:				
Investments measured at fair value through profit and loss	353.09		(196.60)	156.49

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
19 Other non-financial liabilities			
Statutory dues	21.84	35.79	7.73
Advance from customers	-	-	-
Advance against property	-	-	60.00
Deferred income	21.78	12.86	14.58
	43.62	48.65	82.31
20 Equity Share capital			
Authorised equity share capital			
30,000,000 (Previous year : 30,000,000) equity shares of ₹ 5 each	1,500.00	1,500.00	1,500.00
	1,500.00	1,500.00	1,500.00
Issued, subscribed and paid up equity share capital			
16,746,167 (Previous year : 16,746,167) equity shares of ₹ 5 each	837.31	837.31	837.31
	837.31	837.31	837.31

(i) Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 5 each. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2019		31 March 2018		1 April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	167.46	837.31	167.46	837.31	167.46	837.31
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
At the end of the year	167.46	837.31	167.46	837.31	167.46	837.31

iii) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

Particulars	March 31, 2019		March 31, 2018		April 1, 2017	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Nahar Polyfilms Ltd	66.12	39.48%	66.12	39.48%	66.12	39.48%
Nahar Industrial Enterprises Ltd	13.63	8.14%	13.63	8.14%	13.63	8.14%
Oswal Woollen Mills Ltd	13.22	7.90%	13.22	7.90%	13.22	7.90%



Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
21 Other equity			
General reserve	33,321.15	33,321.15	33,321.15
Retained earnings	6,494.17	5,835.57	4,786.28
Statutory reserve fund	5,146.46	4,886.46	4,305.46
Security premium	12,591.71	12,591.71	12,591.71
CSR reserve	50.78	86.02	42.39
Other comprehensive income:			
Equity instruments through other comprehensive income	17,185.06	18,651.21	17,431.01
Total reserves	74,789.33	75,372.12	72,478.00

21.1 General reserve

The Company has transferred a portion of the net profit of the group before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

21.2 Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

21.3 CSR reserve

The Company is required to create the CSR activity reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of Companies Act, 2013 and rules made thereunder.

21.4 Retained earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

21.5 Reserve Fund u/s 45-IC of RBI Act 1934

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the year, the Company has created Statutory Reserve Fund amounting to Rs. 51.46 Lakhs (March 31, 2018: Rs.48.86 Lakhs and April 1, 2017: Rs. 43.05 Lakhs).

21.6 Other comprehensive income

- The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised
- The Company has recognised remeasurements of defined benefits plans through other comprehensive income.
- The Company recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity.

22 Interest income

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	On Financial Assets measured at Amortised Cost	Interest income on financial assets classified at FVTPL	On Financial Assets measured at at Amortised Cost	Interest income on assets classified at FVTPL
Interest on loan assets	27.38	-	-	-
Interest on deposits with banks	0.55	-	1.45	-
Interest from alternate investments funds	-	80.47	-	102.48
Interest from bonds and debentures	157.01	-	183.03	-
Interest from commodities	-	-	-	-
Other interest income	4.06	-	-	-
	189.00	80.47	184.48	102.48
Total	269.47		286.96	



Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
23. Dividend income		
Dividends from associate companies	111.73	307.67
Dividends from other investments	528.23	825.24
	639.96	1,132.91
24. Rental Income		
Rental Income	163.17	131.40
	163.17	131.40
25. Net gain on fair value changes		
Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments		
- Mutual Funds		
- Others	52.26	234.95
(ii) On financial instruments designated at fair value through profit or loss	(17.30)	(61.85)
Total Net gain on fair value changes	34.96	173.10
Total Net gain on fair value changes [A+B]		
Fair Value Changes:		
-Realised	34.96	108.61
-Unrealised	-	64.49
Total Net gain on fair value changes	34.96	173.10
26 Other income		
Net gain on fair value changes	1,032.78	1,146.60
Net gain on derecognition of financial instruments under amortised cost category	372.68	142.37
Other income		
-Income from stock lending	-	1.28
-Miscellaneous income	3.75	7.52
Total other income	1,409.21	1,297.77
27 Finance cost		
(On Financial liabilities measured at Amortised Cost)		
Interest on deposits		
Interest on borrowings	35.11	32.91
Other interest expense	5.67	4.66
	40.78	37.57
28 Fees and commission		
Fees and other charges	263.69	12.32
	263.69	12.32

29 Impairment on financial instruments

Particular	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost
Impairment on loan assets	-	-	-	106.42
Investments	104.00	-	3.00	-
Others (Preference Shares Diminution)	-	93.31	-	-
Total	104.00	93.31	3.00	106.42



Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
30 Employee benefits expenses		
Salaries, wages and bonus	369.16	351.07
Contribution to provident fund and other funds	4.26	14.83
Staff welfare expense	0.05	0.05
	373.47	365.95
31 Depreciation and amortisation		
Depreciation on tangible assets and investment properties	43.67	32.25
	43.67	32.25
32 Other expenses		
Power and fuel	0.69	1.53
Rental expense	3.25	2.91
R&M building	8.06	2.59
Rates and taxes	6.98	5.07
Insurance charges	1.33	1.31
Legal and professional charges	63.40	75.75
Travelling and conveyance	3.55	9.78
Vehicle running and maintenance	0.92	1.19
Payment to auditors	0.82	1.09
Communication expenses	1.66	1.77
Director sitting fees	3.20	3.10
Printing & Stationery	2.75	3.21
AGM Expenses	0.44	0.44
STT	1.45	2.74
Loss on sale of fixed assets	-	5.84
Donation	0.70	0.81
Miscellaneous expenses	4.58	2.52
	103.78	121.65
33 Tax expense		
A. (i) Current tax	369.97	523.98
(ii) Deferred tax charge/(credit)	(56.05)	(128.58)
(iii) Tax - earlier years	-	29.67
	313.92	425.07
Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:		
Accounting profit before income tax	1,494.07	2,342.98
Statutory income tax rate	29.12%	34.61%
Tax expense at statutory income tax rate (A)	435.07	810.86
B. Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
(i) Tax impact of income chargeable at different tax rate	(244.58)	(282.30)
(ii) Income exempted from tax	(267.67)	(525.40)
(iii) Tax impact of expenditure allowed on payment basis	44.34	100.74
(iv) Unrecognised tax assets	(28.95)	(12.57)
(v) Adjustments for current tax of prior periods	-	29.66
(v) Minimum alternate tax (MAT) credit not created	315.81	300.10
(vi) Minimum alternate tax (MAT) impact on transition to Ind AS	109.30	-
(vii) Reversal of deferred tax created on transition to Ind AS	(50.06)	-
(viii) Others	0.66	3.98
Total (B)	(121.16)	(385.79)
Income tax expense at effective tax rate reported in the Statement of Profit and Loss (A+B)	313.92	425.07



Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
34 Earning per share		
Net profit attributable to equity shareholders		
Net profit/(Loss) for the year	1,180.15	1,917.91
Par value per share	5.00	5.00
Weighted average number of equity shares	167.46	167.46
Earnings per share - Basic and diluted	7.05	11.45
35 Corporate social responsibility expenses		
Direct expenditure	-	-
Overheads expenditure	-	-

35.1 Disclosure in respect of Corporate social responsibility expenses :

(a) Gross Amount required to be spent by the Company during the year 2018-19 is Rs. 50.78 Lakhs (Previous two years Rs. 86.01 Lakhs).		
(b) Amount spent during the year :		
(i) Construction/ acquisition of any asset		
In Cash		
Yet to be paid	-	-
(ii) On purpose other than (i) above		
In Cash	86.01	
Yet to be paid	50.78	86.01
	136.79	86.01

(c) The Company for its CSR obligation joined hands with other group companies and agreed to do CSR obligation through a SPV, a recognized charitable organization, M/s. Oswal Foundation. The said organization has done various activities under CSR. Last year the project of Eye Care which was under consideration could not be taken up and discarded. Now the said society is considering a new health care project. The Company would contribute its CSR obligation as and when it is finalized. In the meantime amount of CSR obligation Rs. 5078321 (Rs. fifty lakh seventy eight thousand three hundred twenty one only) has been set apart towards CSR activity reserve.

36 Related party disclosures

In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

36.1 List of related parties and disclosures

Description of relationship	Names of related parties
Associate Companies	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited
Other Group Companies	Oswal Woollen Mills Limited, Monte Carlo Fashions Limited, Cotton County Retail Ltd., Vanaik Spinning Mills Ltd., Abhilash Growth Fund (P) Ltd., Atam Vallabh Financers Ltd., Bermuda Insurance Brokers Pvt. Ltd., Kovalam Investments & Trading Co. Ltd., Monica Growth Fund (P) Ltd., Nagdevi Trading & Investments Co. Ltd., Nahar Growth Fund (P) Ltd., Neha Credit & Investments (P) Ltd., Crown Stars Ltd., Ruchika Growth Fund (P) Ltd., Girnar Investments Ltd., HUG Foods (P) Ltd., Sankeshwar Holding Co. Ltd., Vanaik Investors Ltd., Vardhman Investments Ltd., J.L.Growth Fund Ltd., Simran & Shanaya Co. Ltd., Sidhant & Mannat Co. Ltd., Oswal Foundation, Amluh Industries Limited, Retailerkart E Venture Private Limited, Nahar Industrial Infrastructure Corporation Limited, Nahar Financial and Investment Limited, Palam Motels Limited, Vigil Investment Private Limited, Shri



Atam Fabrics Limited, Cabot Trading and Investment Co Private Limited, Marble E Retail Private Limited, Suvrat Trading Company Limited, White Tiger Breweries and Distilleries Limited, Closettrunk Pvt. Ltd.

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation
Jawahar Lal Oswal	Chairman
Dinesh Oswal	Managing Director
Kamal Oswal	Director
Dinesh Gogna	Director
Satish Kumar Sharma	Director
Manisha Gupta	Independent Director
Kanwar Sain Maini	Independent Director
Satish Kumar Singla	Independent Director
Vijay Asdhir	Independent Director
Amrik Singh Sohi	Independent Director
Anjali Modgil	Company Secretary
Hans Raj Kapoor	Chief Financial Officer

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:

Nahar Poly Films Limited
Nahar Spinning Mills Limited
Oswal Woollen Mills Limited

36.2 Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	Nature of transaction	As at	As at
		31 March 2019	31 March 2018
Mr. Dinesh Oswal	Remuneration	270.00	276.00
Mr. Jawahar Lal Oswal	Sitting Fee	0.40	0.40
Mr. Kamal Oswal	Sitting Fee	0.40	0.40
Mr. Dinesh Gogna	Sitting Fee	0.40	0.40
Mr. Satish Kumar Sharma	Sitting Fee	0.40	0.40
Dr. Manisha Gupta	Sitting Fee	0.40	0.20
Prof. Kanwar Sain Maini	Sitting Fee	0.20	0.30
Dr. Suresh Kumar Singla	Sitting Fee	0.30	0.40
Dr. Vijay Asdhir	Sitting Fee	0.40	0.20
Dr. Amrik Singh Sohi	Sitting Fee	0.30	0.20
Dr. Mrs. Harbhajan Kaur Bal	Sitting Fee	-	0.20
Nahar Spinning Mills Limited	Rent paid	2.58	2.43
	Reimbursement of Expenses	152.57	25.18
	Loan Paid	575.00	-
	Interest Received	12.81	-
Nahar Poly Films Limited	Loan Paid	785.00	-
	Interest Received	7.13	-
Oswal Woollen Mills Limited	Rent paid	0.67	0.47
	Reimbursement of Expenses	0.45	4.20

36.3 Key management personnel remuneration includes the following expenses:

Particulars	As at	As at
	31 March 2019	31 March 2018
Short-term employee benefits		
Managerial Remuneration		
Paid to Mr. Dinesh Oswal	270.00	276.00
Director Sitting Fee		
Mr. Jawahar Lal Oswal	0.40	0.40
Mr. Kamal Oswal	0.40	0.40



Mr. Dinesh Gogna	0.40	0.40
Mr. Satish Kumar Sharma	0.40	0.40
Dr. Manisha Gupta	0.40	0.20
Prof. Kanwar Sain Maini	0.20	0.30
Dr. Suresh Kumar Singla	0.30	0.40
Dr. Vijay Asdhir	0.40	0.20
Dr. Amrik Singh Sohi	0.30	0.20
Dr. Mrs. Harbhajan Kaur Bal	-	0.20
Post-Employment Benefits	-	-
Termination Benefits	-	-
Total remuneration	273.20	279.10

Note: As provisions for gratuity and leave benefits are made for the Company as a whole, the amounts pertaining to the Key management personnel are not specifically identified and hence are not included above.

36.4 Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Nahar Spinning Mills Limited	Other payable	2.70	0.20	0.94
Abhilash Growth Fund (P) Ltd	Other payable	-	1.37	-
Oswal Woollen Mills Limited	Other receivable	-	0.40	-
Oswal Woollen Mills Limited	Other payable	0.79	-	7.52
Mr. Dinesh Oswal	Remuneration payable	15.20	14.25	4.65

37 Employee benefit obligations

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A) Defined Benefit Plans - Post-Employment Benefits			
Gratuity	52.08	45.75	28.57
(B) Other long term employee benefits			
Leave encashment	N.A.	N.A.	N.A.
Total	52.08	45.75	28.57

A) Disclosure for

A. Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation.

The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Balance Sheet and the funded status is as under:

(i) Amount recognised in the statement of profit and loss is as under:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Current service cost (net)	1.55	N.A.	N.A.
Net Interest cost/(Income)	0.43	N.A.	N.A.
Net impact on profit (before tax)	1.98	-	-
Actuarial loss/(gain) recognised during the year			
Amount recognised in total comprehensive income	1.98	-	-

(ii) Change in the present value of benefit obligation:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Present value of defined benefit obligation as at the beginning of the year	45.75	28.56	25.87
Interest cost	3.62	2.28	2.07
Service cost	1.55	1.30	1.40
Benefits paid	(1.05)	(0.05)	(0.01)
Actuarial loss/(gain)	2.21	13.66	(0.77)
Present value of defined benefit obligation as at the end of the year	52.08	45.75	28.56



(iii) Movement in the plan assets recognised in the balance sheet is as under:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Fair value of plan assets at the beginning of the period	32.29	29.65	27.44
Actual return on plan assets	(0.07)	2.14	2.26
Employer Contribution	16.14	(1.64)	(0.05)
Interest Income on plan assets	3.19	2.14	-
Benefits paid	(1.05)	-	-
Actuarial gain	-	-	-
Fair value of plan assets at the end of the period	50.50	32.29	29.65

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Present value of funded obligation as at the end of the year			
Fair value of plan assets as at the end of the period funded status			
Unfunded/funded net liability recognized in balance sheet	-	-	-

(v) Actuarial (gain)/loss recognised in other comprehensive income:

Description	March 31, 2019	March 31, 2018
Actuarial (gain)/loss from change in demographic assumption	2.17	
Actuarial (gain)/loss from change in financial assumption	1.78	
Actuarial (gain)/loss from experience adjustment	(1.74)	
Total actuarial (gain)/loss	2.21	-

(vi) Actuarial assumptions used for determination of the liability of the Company:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Discount rate	6.80%	8.00%	8.00%
Rate of salary increase	7.00%	7.00%	7.00%
Expected rate of return on plan assets	N.A.	N.A.	N.A.
Average past service	9.68 years	N.A.	N.A.
Average age	45.05 years	N.A.	N.A.
Average remaining working life	N.A.	N.A.	N.A.
Withdrawal/Attrition rate			
Up to 30 Years	10.00%	3.00%	N.A.
From 31 to 44 years	N.A.	2.00%	N.A.
Above 44 years	N.A.	1.00%	N.A.

Notes to actuarial assumptions:

- 1) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.
- 2) The estimates of future salary increases considered takes into account the inflation seniority promotion and other relevant factors.
- 3) The best estimated expense for the next year is (March 31 2018: Rs. 227668/-)
- 4) Being the First year of adoption of Ind-AS, previous year figures are not given.

(vii) Sensitivity analysis for gratuity liability

Description	March 31, 2019	March 31, 2018
a) Impact of change in discount rate		
Present value of obligation at the end of the year	6.80%	N.A.
- Impact due to increase of 0.50 %	-0.76%	N.A.
- Impact due to decrease of 0.50 %	0.81%	N.A.
b) Impact of change in salary/cost increase		
Present value of obligation at the end of the year	7.00%	N.A.
- Impact due to increase of 0.50 %	0.47%	N.A.
- Impact due to decrease of 0.50 %	-0.45%	N.A.
c) Impact of change in withdrawal rate		
Withdrawal rate as on 31 March, 2019	10.00%	N.A.
-Effect on DBO due to 5% increase in withdrawal rate	0.42%	N.A.
-Effect on DBO due to 5% decrease in withdrawal rate	0.51%	N.A.



Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.
Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(viii) Maturity profile of defined benefit obligation

Description	March 31, 2019	March 31, 2018
Within next 12 months	20.90	N.A.
Between 1-5 years	21.49	N.A.
Beyond 5 years	21.27	N.A.
	<u>63.66</u>	<u>-</u>

B Other long term employee benefits**Disclosure for Leave encashment**

Amount recognised in the statement of profit and loss is as under:

Description	March 31, 2019	March 31, 2018
Current service cost	N.A.	N.A.
Interest cost	N.A.	N.A.
Actuarial loss/(gain) recognised during the year	N.A.	N.A.
Net impact on profit (before tax)	-	-

38 Commitments

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Commitments not provided for in respect of:		
(i) Contracts remaining to be executed on capital account - Uncalled liability on shares, Investment Property and other Investments partly Paid	2,045.77	1,603.97
(ii) Other commitments - Demand of Income Tax Payable for A.Y. 2013-2014 & 2015-2016	29.67	29.67
	<u>2,075.44</u>	<u>1,633.64</u>

39 Assets pledged as security

The carrying amounts of assets pledged as security are:

Particulars	31 March 2019	31 March 2018	1 April 2017
Investments	4,455.08	2,335.56	2,099.66
Total assets pledged as security	4,455.08	2,335.56	2,099.66

40 Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Borrowings (other than debt securities)	Total
1 April 2017	1,473.54	1,473.54
Cash flows:		
- Repayment of borrowings	547.72	547.72
- Proceeds of borrowings	1,500.00	1,500.00
31 March 2018	2,425.82	2,425.82
Cash flows:		
- Repayment of borrowings	1,929.71	1,929.71
31 March 2019	496.10	496.10



41 The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

	March 31, 2019		March 31, 2018		April 1, 2017	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months	Within 12 months	More than 12 months
ASSETS						
Financial assets						
Cash and cash equivalents	19.76	-	18.67	-	33.33	-
Bank balances other than above	31.67	11.39	31.58	6.42	30.40	80.33
Loans	1.09	41.05	0.45	41.05	0.24	147.46
Investments	3,321.45	65,342.43	2,751.62	70,570.04	2,008.26	68,840.12
Other financial assets	143.95	70.89	95.45	42.24	16.79	25.86
	3,517.93	65,465.75	2,897.77	70,659.74	2,089.01	69,093.77
Non Financial assets						
Inventories	3,286.80	-	622.80	-	703.93	-
Current tax assets (net)	-	3.24	-	53.44	-	53.65
Investment property	-	3,753.39	-	1,979.42	-	1,733.16
Property, plant and equipment	-	4.15	-	5.66	-	6.19
Other non financial assets	40.77	1,090.40	0.59	3,422.40	1.30	1,839.21
	3,327.57	4,851.17	623.39	5,460.92	705.24	3,632.21
TOTAL	6,845.50	70,316.93	3,521.16	76,120.67	2,794.25	72,725.98

LIABILITIES AND EQUITY

LIABILITIES

Financial Liabilities

Payables

(I) Trade Payables

(i) total outstanding dues of MSMEs

(ii) total outstanding dues of

creditors other than MSMEs	6.49	-	3.99	-	160.00	-
Debt securities	-	-	-	-	-	-
Borrowings (other than debt securities)	-	496.10	-	1,425.82	1,000.00	1,473.54
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	135.01	736.29	96.49	686.15	64.99	69.79
	637.60	736.29	1,526.29	1,686.15	1,698.53	69.79

Non Financial Liabilities

Current tax liabilities (net)	109.31	-	-	-	-	-
Provisions	2.19	-	14.81	-	1.20	-
Deferred tax liabilities (net)	6.77	-	-	156.49	-	353.09
Other non financial liabilities	21.84	21.78	35.79	12.86	7.73	74.58
	140.11	21.78	50.60	169.35	8.93	427.67

TOTAL **777.72** **758.07** **1,576.89** **1,855.50** **1,707.46** **497.47**

NET **6,067.78** **69,558.86** **1,944.27** **74,265.17** **1,086.80** **72,228.51**

42 Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Financial assets measured at fair value				
Investments* measured at				
(i) Fair value through other comprehensive income	Note - 6	22,348.17	22,938.32	21,050.19
(ii) Fair value through profit and loss	Note - 6	22,637.64	24,742.90	24,883.30



Financial assets measured at amortised cost				
Investments*	Note - 6	4,638.10	6,628.14	5,760.00
Cash and cash equivalents	Note - 3	19.76	18.67	33.33
Bank balances other than above	Note - 4	43.06	38.00	110.73
Loans	Note - 5	42.14	41.50	147.70
Other financial assets	Note - 7	214.84	137.69	42.64
Total		49,943.71	54,545.22	52,027.91
Financial liabilities measured at amortised cost				
Trade payables	Note - 13	6.49	3.99	160.00
Borrowings (other than debt securities but including interest accrued)	Note - 14	496.10	2,425.82	1,473.54
Other financial liabilities	Note - 15	871.30	782.64	134.79
Total		1,373.89	3,212.44	1,768.32

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

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through other comprehensive income				
Quoted equity investments	16,125.51	-	-	16,125.51
Un quoted equity investments	-	-	9306.92	9306.92
Investments at fair value through profit and loss				
Mutual funds	17,511.62	-	-	17,511.62
Venture capital funds and alternative investment funds	-	-	2,824.55	2,824.55

As at 31 March 2018	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through other comprehensive income				
Quoted equity investments	13,614.76	-	-	13,614.76
Un quoted equity investments	-	-	9,269.72	9,269.72
Investments at fair value through profit and loss				
Mutual funds	20,501.50	-	-	20,501.50
Venture capital funds and alternative investment funds	-	-	2,242.78	2,242.78

As at 1 April 2017	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through other comprehensive income				
Quoted equity investments	11,620.55	-	-	11,620.55
Un quoted equity investments	-	-	9,378.80	9,378.80
Investments at fair value through profit and loss				
Mutual funds	21,977.85	-	-	21,977.85
Venture capital funds and alternative investment funds	-	-	1,561.72	1,561.72

Valuation Techniques for fair value disclosures (Level 1, Level 2 and Level 3)

- A. Investment in Quoted Equity Investments - Level 1 - Investment in listed equity instruments are measured at their readily available quoted price in the market.
- B. Investment in Unquoted Equity Investments - Level 3 - the Company has used earning capitalisation method (fair value approach) discounted at a rate to reflect the risk involved in the business.



- C. Investment in Mutual funds - Level 1 - Investment in mutual funds are measured at their readily available net asset value (NAV) (per unit) in the market
- D. Investment in Venture Capital Funds and Alternative Investment Funds Level 3 - Investment in venture capital funds and alternative investment funds are measured at their fair value as per the Net Asset Value (NAV) Certificate shared by the fund/investee party.

43 The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	As at 1 April 2017	Purchases	Sales	Issuance	Net interest/(loss) income and other income/(loss)	Other comprehensive income	As at 31 March 2018
Investment in Venture Funds	1,561.72	847.00	(121.84)	-	(44.10)	-	2,242.78
Investment in Equity instruments	9,378.80	-	-	-	-	(106.08)	9,272.72
Total investments	10,940.52	847.00	(121.84)	-	(44.10)	(106.08)	11,515.50

Particulars	As at 1 April 2018	Purchases	Sales	Issuance	Net interest/(loss) income and other income/(loss)	Other comprehensive income	As at 31 March 2019
Investment in Venture Funds	2,242.78	693.48	(245.89)	-	134.18	-	2,824.55
Investment in Equity instruments	9,272.72	-	-	-	-	(3,083.90)	6,188.82
Total investments	11,515.50	693.48	(245.89)	-	134.18	(3,083.90)	9,013.37

Sensitivity analysis

Description	As at March 31, 2019	As at March 31, 2018	As at April 1 2017
Impact on fair value if change in risk adjusted discount rate			
- Impact due to increase of 5%	(452.36)	(575.63)	(547.03)
- Impact due to decrease of 5%	452.36	575.63	547.03

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

Particulars	Unquoted equity shares / Venture funds
As at April 1, 2017	10,940.52
Gain/(loss) recognised in other comprehensive income	(150.04)
As at March 31, 2018	10,790.48
Gain/(loss) recognised in other comprehensive income	(1,466.15)
As at March 31, 2019	9,324.34

- B.2 Fair value of instruments measured at amortised cost
 Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:



Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	19.76	19.76	18.67	18.67	33.33	33.33
Bank balances other than above	43.06	43.06	38.00	38.00	110.73	110.73
Loans	42.14	42.14	41.50	41.50	147.70	147.70
Investments	4,638.10	5,281.81	6,628.14	7,221.58	5,760.00	6,170.74
Other financial assets	214.84	214.84	137.69	137.69	42.64	42.64
Total	4,957.90	5,538.79	6,864.00	7,400.77	6,094.42	6,361.08
Financial liabilities						
Trade payables	6.49	6.49	3.99	3.99	160.00	160.00
Borrowings (other than debt securities)	496.10	496.10	2,425.82	2,425.82	1,473.54	1,473.54
Other financial liabilities	871.30	871.30	782.64	782.64	134.79	134.79
Total	1,373.89	1,373.89	3,212.44	3,212.44	1,768.32	1,768.32

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables:

Financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, loans, trade payables, short term borrowings, inter company loan and contract liability without a specific maturity.

Investments measured at amortised cost

Investments which are carried at amortised cost represents investments in debt instruments including non convertible preference shares. The fair values of such investments are determined using rates available in the market.

44 Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, investments in debt securities, loans, trade	Ageing analysis	Highly rated bank deposits and diversification of asset base and
Liquidity risk	Borrowings, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loans assets
Market risk - Currency	The company does not have any financial	Not applicable	Not applicable
Market risk - interest rate	The company does not have any variable rate	Not applicable	Not applicable
Market risk - security price	Investments in equity securities, venture funds and mutual funds.	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments



In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

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

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances,	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk*

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 2017
(i) Low credit risk - Stage 1			
Cash and cash equivalents	19.76	18.67	33.33
Bank balances other than above	43.06	38.00	110.73
Loans	(41.05)	(141.05)	(34.63)
Investments	4,638.10	6,628.14	5,760.00
Security deposits	70.89	42.24	25.86
Other financial assets	214.84	95.45	16.79
(ii) Moderate credit risk - Stage 2			
Loans	-	-	-
(iii) High credit risk - Stage 3			
Loans	83.18	182.54	182.33

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

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

**Loans**

Credit risk related to borrower's are mitigated by considering collateral's/bank guarantees/letter of credit, from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortized cost

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

b) Credit risk exposure**i) Expected credit losses for financial assets other than loans**

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For investments - Considering the investments are in equity shares, mutual funds, and government securities, credit risk is considered low.
- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at March 31, 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	19.76	-	19.76
Bank balances other than above	43.06	-	43.06
Investments	4,638.10	-	4,638.10
Security deposits	70.89	-	70.89
Other financial assets	214.84	-	214.84

As at March 31, 2018	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	18.67	-	18.67
Bank balances other than above	38.00	-	38.00
Investments	6,628.14	-	6,628.14
Security deposits	42.24	-	42.24
Other financial assets	95.45	-	95.45



As at April 1, 2017	Estimated gross carrying amount at default	Expected credit losses	Carrying default amount net of impairment provision
Cash and cash equivalents	33.33	-	33.33
Bank balances other than above	110.73	-	110.73
Investments	5,760.00	-	5,760.00
Security deposits	25.86	-	25.86
Other financial assets	16.79	-	16.79

ii) Expected credit loss for loans

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days.
If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.
If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default. Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	As at 31 March 2019	As at 31 March 2018
Gross loans in respect of borrower's where no specific default has occurred	82.09	182.09
Expected loss rate	50%	77%
Loans due from borrowers where specific default has occurred		
Expected credit loss (loss allowance provision)	41.05	141.05
Reconciliation of loss allowance provision from beginning to end of reporting period:		
Reconciliation of loss allowance		Loans
Loss allowance on April 1, 2017		
Loss allowance on assets originated		141.05
Increase of provision due to assets originated or purchased during the year		-
Net transfer between stages		
Loss allowance written back		
Write - offs		-
Loss allowance on March 31, 2018		141.05
Loss allowance on assets originated		41.05
Net transfer between stages		
Loss allowance written back		
Write - offs		-
Loss allowance on March 31, 2019		182.09

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as



possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

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

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Floating rate			
- Expiring within one year	2,503.90	74.18	26.46
- Expiring beyond one year	-	-	-
Total	2,503.90	74.18	26.46

(ii) Maturities of financial liabilities

The tables below analyses the Company financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings other than debt securities including interest	555.53	-	-	-	555.53
Trade payables	9.95	-	-	-	9.95
Other financial liabilities	890.97	-	-	-	890.97
Total	1,456.45	-	-	-	1,456.45

As at March 31, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total 3 years
Non-derivatives					
Borrowings other than debt securities including interest	2,458.73	-	-	-	2,458.73
Trade payables	3.99	-	-	-	3.99
Other financial liabilities	1,366.73	-	-	-	1,366.73
Total	3,829.45	-	-	-	3,829.45

As at April 1, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings other than debt securities	1,490.78	-	-	-	1,490.78
Trade payables	160.00	-	-	-	160.00
Other financial liabilities	688.38	-	-	-	688.38
Total	2,339.15	-	-	-	2,339.15

C) Market risk

Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period:

Impact on profit after tax

Particulars	As at March 31, 2019	As at March 31, 2018
Mutual Funds, Equity Instruments and Venture Funds		
Net assets value – increase by 50 basis points (50 bps)	1,131.88	1,237.14
Net assets value – decrease by 50 basis points (50 bps)	(1,131.88)	(1,237.14)

**Impact on other comprehensive income**

Particulars	As at March 31, 2019	As at March 31, 2018
Equity instruments		
Value per share – increase by 50 basis points (50 bps)	1,117.41	1,146.92
Value per share – decrease by 50 basis points (50 bps)	(1,117.41)	(1,146.92)

45 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Net debt*	476.34	2,407.15	1,440.32
Net worth	75,626.64	76,209.44	73,315.31
Net debt to equity ratio	0.01	0.03	0.02

* Net debt includes borrowings other than debt securities + interest accrued - cash and cash equivalents.

Dividends

Particulars	As at March 31, 2019	As at March 31, 2018
The Board of directors at their meeting held on 30 May 2019 has proposed a final dividend of ₹ 1.50 per share for financial year 31 March 2019 (previous year: ₹ 1.50 per share) subject to approval of shareholders in annual general meeting.		
(i) Equity shares	251.19	251.19
Final dividend for the year ended March 31, 2019 of ₹ 5 per share (excluding tax)		



46 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Designation of previously recognised financial instruments

Ind AS 101 permits a first-time adopter to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

3 Deemed cost for investments in Associates

Ind AS 101 permits a first-time adopter to continue previous GAAP carrying value for investment in equity instrument of subsidiaries. Accordingly, the Company has elected to apply the said exemption.

B Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Investment in equity instruments carried at FVOCI
- b) Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

3 De-recognition of financial assets

The Company have applied de-recognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

C Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.



1 Reconciliation of total equity as at March 31, 2018

Description	Notes to First time adoption	March 31, 2018	April 1, 2017
Total equity (shareholder's funds) as per Previous GAAP		55,683.88	53,131.12
Adjustments:		-	-
Measurement of financial liabilities measure at amortised cost	Note – 1	0.64	0.09
Fair valuation of investments	Note – 2	20,681.41	20,537.19
Income tax effect of Ind AS adjustments	Note – 3	(156.49)	(353.09)
Total adjustments		20,525.56	20,184.19
Total equity as per Ind AS		76,209.44	73,315.31

2 Reconciliation of total comprehensive income for the year ended March 31, 2018

Description	Notes to First time adoption	March 31, 2018
Profit after tax as per Previous GAAP		2,855.09
Adjustments:		-
Measurement of financial liabilities measure at amortised cost	Note – 1	0.55
Fair valuation of investments	Note – 2	(1,075.98)
Remeasurement of defined benefit obligations	Note – 4	13.66
Total adjustments		(1,061.77)
Profit after tax as per Ind AS		1,793.32
Income tax effect of above adjustments	Note – 3	124.59
Profit as per Ind AS for the year ended March 31, 2018		1,917.91
Remeasurement of defined benefit obligations	Note – 4	(13.66)
Equity instruments through other comprehensive income	Note – 2	1,220.20
Income tax relating to these items	Note – 3	72.01
Total comprehensive income as per Ind AS for the year ended March 31, 2018		3,196.46

3 Impact of Ind AS adoption on the Statement of cash flows for the year ended March 31, 2018

Description	Per Previous GAAP	Ind AS adjustments*	Per Ind AS
Net cash flow from operating activities	(2,484.30)	3,469.23	984.94
Net cash flow from investing activities	2,700.50	(3,360.09)	(659.58)
Net cash flow from financing activities	(302.33)	(37.69)	(340.02)
Net increase in cash and cash equivalents	(86.13)	71.46	(14.66)
Cash and cash equivalents as at April 1, 2017	142.76	(109.43)	33.33
Cash and cash equivalents as at March 31, 2018	56.64	(37.97)	18.67
Reconciliation of cash and cash equivalent as per the cash flow statement*	(0.00)	0.00	0.00

The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

*Reclassification of interest accrued on fixed deposits to Cash and cash equivalents.



D Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at March 31, 2018 is as follows:

Particulars	Note	As at March 31, 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		18.67	-	18.67
Bank balances other than above		38.00	-	38.00
Loans		41.50	-	41.50
Investments	Note-1	52,666.99	20,654.67	73,321.66
Others financial assets		137.69	-	137.69
Total financial assets		52,902.85	20,654.67	73,557.52
Non-financial assets				
Inventories	Note-1	596.05	26.75	622.80
Current tax assets (net)		53.44	0.00	53.44
Investment Property		1,979.42	-	1,979.42
Property, plant and equipment		5.66	-	5.66
Capital advance		-	-	-
Other non financial assets		3,422.99	-	3,422.99
Total non-financial assets		6,057.56	26.75	6,084.31
TOTAL ASSETS		58,960.41	20,681.41	79,641.83
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises			-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.99	-	3.99
Borrowings (Other than Debt Securities)		2,425.82	-	2,425.82
Other financial liabilities	Note-2	796.14	(13.50)	782.64
Total financial liabilities		3,225.94	(13.50)	3,212.44
Non-financial liabilities				
Provisions		14.81	-	14.81
Deferred tax liabilities (net)	Note-3	-	156.49	156.49
Other non-financial liabilities		35.79	12.86	48.65
Total non-financial liabilities		50.60	169.35	219.95
EQUITY				
Equity share capital		837.31	-	837.31
Other equity		54,846.57	20,525.56	75,372.13
Total equity		55,683.88	20,525.56	76,209.44
TOTAL LIABILITIES AND EQUITY		58,960.41	20,681.41	79,641.83

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.



E Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at April 1, 2017 is as follows:

Particulars	Note	"As at April, 2017		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		33.33	-	33.33
Bank balances other than above		110.73	-	110.73
Loans		147.70	-	147.70
Investments	Note-1	50,399.77	20,448.60	70,848.37
Others financial assets		42.64	-	42.64
Total financial assets		50,734.18	20,448.60	71,182.78
Non-financial assets				
Inventories	Note-1	615.34	88.59	703.93
Current tax assets (net)		53.65	-	53.65
Investment Property		1,733.16	-	1,733.16
Property, plant and equipment		6.19	-	6.19
Capital advance		-	-	-
Other non financial assets		1,840.52	-	1,840.52
Total non-financial assets		4,248.85	88.59	4,337.45
TOTAL ASSETS		54,983.04	20,537.19	75,520.23
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises				
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		160.00	-	160.00
Borrowings (Other than Debt Securities)		1,473.54	-	1,473.54
Other financial liabilities	Note-2	149.45	(14.67)	134.79
Total financial liabilities		1,782.99	(14.66)	1,768.32
Non-financial liabilities				
Provisions		1.20	-	1.20
Deferred tax liabilities (net)	Note-3	-	353.09	353.09
Other non-financial liabilities	Note-2	67.73	14.58	82.31
Total non-financial liabilities		68.93	367.67	436.60
EQUITY				
Equity share capital		837.31	-	837.31
Other equity		52,293.81	20,184.19	72,478.00
Total equity		53,131.12	20,184.19	73,315.31
TOTAL LIABILITIES AND EQUITY		54,983.03	20,537.20	75,520.23

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.



F Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per Indian GAAP and as per Ind AS as at March 31, 2018 is as follows:

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Income				
Revenue from operations				
Interest income		374.56	(87.59)	286.96
Dividend Income		1,132.90	-	1,132.90
Rental Income	Note-2	126.19	5.21	131.40
Net gain on fair value changes	Note-1	2,450.46	(2,277.36)	173.10
Total Revenue from operations		4,084.11	(2,359.75)	1,724.37
Other Income				
Net gain on fair value changes		-	1,146.60	1,146.60
Net gain on derocgnition of financial instruments under amortised cost category		-	142.37	142.37
Other Income		8.80	-	8.80
Total		4,092.91	(1,070.77)	3,022.14
Expenses				
Finance costs	Note-2	32.91	4.66	37.57
Fees and commission expense		12.32	-	12.32
Impairment on financial instruments		109.42	-	109.42
Employee benefits expense	Note-4	379.61	(13.66)	365.95
Depreciation and amortisation expense		32.25	-	32.25
Other expenses		121.65	-	121.65
Total		688.16	(9.00)	679.16
Profit before tax		3,404.75	(1,061.77)	2,342.98
Tax expense:				
(1) Less : Current tax		520.00	3.98	523.98
(2) Less/(Add) : Deferred tax	Note-3	-	(128.57)	(128.57)
MAT credit utilised		-	-	-
Previous year income tax		29.67	-	29.67
Profit after tax for the year from continuing operations		2,855.09	(937.17)	1,917.91
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Changes in fair value of FVOCI equity instruments	Note-2	-	1,220.20	1,220.20
Remeasurements of post-employment benefit obligations	Note-4	-	(13.66)	(13.66)
Income tax relating to these items		-	72.01	72.01
Other comprehensive income		-	1,278.55	1,278.55
Total comprehensive income		2,855.09	341.37	3,196.46

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments

**Note 47 - GENERAL**

- a) In the opinion of the Board, the value of Current Assets, Loans and Advances have a value in the ordinary course of business at least equal to that stated in the Balance Sheet except in case of those shown as doubtful.
- b) As per Ind-AS-108 "Operating Segment", the details are as under:-

Particulars	Investment/Financial Activity		Real Estate Activity		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Total Revenue	2353.60	2890.74	163.17	131.40	2516.77	3022.14
Results						
Segment Result (Before Tax & Interest)	1695.88	2563.22	112.17	96.43	1808.05	2659.65
Less :A. Interest Paid	40.78	37.57	0.00	0.00	40.78	37.57
B. Other Unallocable Expenses	273.20	279.10	0.00	0.00	273.20	279.10
	313.98	316.67	0.00	0.00	313.98	316.67
Profit Before Tax					1494.07	2342.98
Less : Income Tax					313.92	425.07
Profit After Tax					1180.15	1917.91
Capital Employed						
Assets	68915.83	75932.12	8246.60	3709.71	77162.43	79641.83
Unallocable Assets	0.00	0.00	0.00	0.00	0.00	0.00
	68915.83	75932.12	8246.60	3709.71	77162.43	79641.83
Total Assets						
Segment Liabilities	239.13	186.61	682.28	648.66	921.41	835.27
Unallocable Liabilities	614.37	2597.12	0.00	0.00	614.37	2597.12
	853.5	2783.73	682.28	648.66	1535.78	3432.39
Total Liabilities						
Capital Expenditure Depreciation					43.67	32.25

- c) The Company is liable to pay tax as per provisions of section 115JB of the Income Tax Act, 1961. In accordance with the provisions of section 115JAA of the said Act, the Company is entitled to take credit of the tax paid under section 115JB of the said act. However, such credit has not been recognized in the financial statements, as there is no convincing evidence available that the Company will be paying tax as per normal provisions of the said act, during the period for which MAT credit can be carried forward, Hence no Deferred Tax Asset has been created.



48. Disclosure of details as required by Para 13 of Systemically Important Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Particulars	Amt Outstanding 31-Mar-19	Amt Overdue 31-Mar-19	Amt Outstanding 31-Mar-18	Amt Overdue 31-Mar-18
1. Loans and advances availed by NBFC Inclusive of Interest accrued thereon but not paid	0.00	0.00	0.00	0.00
a. Debentures (Other than falling with in the meaning of public deposits)				
(i) Secured	0.00	0.00	0.00	0.00
(ii) Unsecured	0.00	0.00	0.00	0.00
b. Deferred Credits	0.00	0.00	0.00	0.00
c. Term Loans	0.00	0.00	0.00	0.00
d. Inter-Corporate Loans & Borrowings	0.00	0.00	0.00	0.00
e. Commercial Paper	0.00	0.00	0.00	0.00
f. Other Loans (Over Draft Account)	0.00	0.00	0.00	0.00
2. Break up of Loans & Advances including bills receivable other than those including in (3) below				
a. Secured	82.09	0.00	82.09	0.00
b. Unsecured	0.00	0.00	0.00	0.00
3. Break up of Leased Assets and Stock in hire and other assets counting towards AFC activities			As at 31.03.2019	As at 31.03.2018
Lease Assets including lease rentals under Sundry Debtors				
a. Financial Lease		0.00		0.00
b. Operating Lease		0.00		0.00
4. Break up of Investments				
a. Current Investments				
1. Quoted Investments				
a. Shares				
i) Equity Shares		0.00		0.00
ii) Preference Shares		0.00		0.00
b. Debentures & Bonds		0.00		0.00
c. Units of Mutual Funds		0.00		0.00
d. Government Securities		0.00		0.00
e. Others (Please specify)		0.00		0.00
2. Unquoted Investments				
a. Shares				
i) Equity Shares		0.00		0.00
ii) Preference Shares		0.00		0.00
b. Debentures & Bonds		0.00		0.00
c. Units of Mutual Funds		0.00		0.00
d. Government Securities		0.00		0.00
e. Others (Please specify)		0.00		0.00
b. Long Term/Trading Investments				
1. Quoted				
-Equity Shares		33499.53		33993.50
-Preference Shares		266.61		754.08
-Debentures & Bonds		3508.38		4699.64
-Units of Mutual Funds/Venture Funds/AIF		18703.21		21437.34
-Government Securities		154.19		154.19
Total		<u>56131.92</u>		<u>61038.75</u>
2. Unquoted				
-Equity Shares		9306.92		9306.56
-Preference Shares		1500.00		1500.00
-Debentures & Bonds		92.08		169.41
-Units of Mutual Funds/Venture Funds/AIF		1632.96		1306.94
Total		<u>12531.96</u>		<u>12282.91</u>
Grand Total		<u>68663.88</u>		<u>73321.66</u>



5. Borrower group-wise classification of assets financed as in (2) and (3) above

Particulars	Amount Net of Provisions					
	Secured 31.03.19	Secured 31.03.18	Unsecured 31.03.19	Unsecured 31.03.18	Total 31.3.19	Total 31.03.18
1) Related Parties						
a) Subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00
b) Companies in the Same Group	0.00	0.00	0.00	0.00	0.00	0.00
c) Other related parties	0.00	0.00	0.00	0.00	0.00	0.00
2) Other than related Parties	82.09	82.09	0.00	0.00	82.09	82.09
Total	82.09	82.09	0.00	0.00	82.09	82.09

6. Investor group wise classification of all investments (current & long term) in shares & securities both quoted and unquoted excluding Stock-in-Trade

Particulars	Market Value or Fair Value of NAV		Book Value (Net of Provisions)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
1) Related Parties				
a) Subsidiaries	0.00	0.00	0.00	0.00
b) Companies in the Same Group	34016.66	35768.60	19382.06	19382.07
c) Other related parties	0.00	0.00	0.00	0.00
2) Other than related Parties	34647.22	37553.06	26720.00	30468.89
Total	68663.88	73321.66	46102.06	49850.96

7. Other Information

Particulars	Amount as on 31.03.2019	Amount as on 31.03.2018
a) Gross Non Performing Assets		
1) Related Parties	0.00	0.00
2) Other than related Parties	0.00	0.00
b) Net Non Performing Assets		
1) Related Parties	0.00	0.00
2) Other than related Parties	0.00	41.04
c) Assets acquired in satisfaction of debt	0.00	0.00

49. Disclosure of details as required by Para 5 of Reserve Bank of India Circular No. RBI 2008-09/116 DNBS (PD) CC.No.125/03.05.002/2008-09

I. Capital to Risk Asset Ratio ("CRAR") Items	31.03.2019	31.03.2018
i) CRAR (%)	95.48	92.66
ii) CRAR - Tier I Capital (%)	95.48	92.66
iii) CRAR - Tier II Capital (%)	0.00	0.00
II. Exposure to Real Estate Category		
a) Direct Exposure		
i) Residential Mortgage	0.00	0.00
ii) Commercial Real Estate	0.00	0.00
iii) Investments in Mortgage Backed securities (MBS) and other securitised exposures (Investments in Equity and Debentures through Religare Credit Opportunities Fund-I, IIFL Real Estate Fund (Domestic Series 1) , IDFC Real Estate Yield Fund, Reliance Yield Maximiser AIF-I, ICICI Prudential Real Estate AIF-I, ICICI Prudential Real Estate AIF-II, Asha Fund (Arthveda Low Income Housing Fund), IDFC Score Fund, Ask Real Estate Special Situations Fund, India Bulls Dual Advantage Commercial Asset Fund and ICICI Prudential Office Yield Optimizer Fund	0.00	0.00
a) Residential	919.84	791.62
b) Commercial Real Estate	256.75	196.00
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	2054.91	501.37



	1 day to 30/31 days	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 month	Over 6 month to 1 Year	Over 1 year to 3 Year	Over 3 year to 5 Year	Over 5 years	Total
Liabilities									
Borrowings from Banks	0.00	496.10	0.00	0.00	0.00	0.00	0.00	0.00	496.10
Market Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets									
Advance	0.00	0.00	0.00	0.00	0.00	82.09	0.00	0.00	82.09
Investments	1928.99	1754.84	1381.08	3792.84	2006.94	10988.37	1826.53	44984.29	68663.88

Note 50 The Computation of net profit under section 198 of the Companies Act, 2013, for the purpose of remuneration payable to Managing Director, are given below :

Particulars	Current Year	Previous Year
Net Profit Before Taxation	1494.07	2342.98
Add: Managerial Remuneration	270.00	276.00
Net Profit U/S 198 of the Companies Act, 2013	<u>1764.07</u>	<u>2618.98</u>
Managerial Remuneration @ 5% of the above	88.20	130.95
Managerial Remuneration paid to Managing Director		
Salary Income	270.00	276.00
Other Perquisites	0.00	270.00
	<u>270.00</u>	<u>276.00</u>

NOTE : Sh. Dinesh Oswal, Managing Director, has been paid remuneration as approved by Ministry of Corporate Affairs (MCA) vide their letter dated 26.12.2017.

Note 51 - Disclosure pursuant to IndAS 101 "First time adoption of Ind AS"

Notes forming part of Financial Statements for the year ending 31 March 2019

(All amounts in lakhs rupees, unless otherwise stated)

Notes to First time adoption

Explanation of major impact on adoption on Ind AS on the reported standalone financial statements of the Company as on the date of transition is as under:

1. Security deposit received

Under previous GAAP, security deposits were initially recognized at transaction price. Subsequently, finance costs was recognized based on contractual terms, if any. Under Ind AS, such security deposits other than perpetual are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of liability.

2. Financial instruments carried at fair value through profit and loss or through other comprehensive income

"Under previous GAAP, investments in long-term equity instrument were carried at cost and tested for other than temporary diminution. Under Ind AS, such investments are carried either at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI) (except for investment in subsidiaries/associates/joint ventures).

Under previous GAAP, investments in mutual funds, alternate investment funds and venture funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit and loss (FVTPL)."

3. Tax impact on adjustments

Under previous GAAP, deferred tax accounting was done using the income statement approach. However, Ind AS requires the accounting of deferred taxes using the balance sheet approach, which includes identification of temporary differences based on the difference in carrying amount of an asset/ liability in the standalone balance sheet and its tax base. These differences have been suitably recognized in the standalone financial statements.

4. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF
M/s. NAHAR CAPITAL & FINANCIAL SERVICES LIMITED
LUDHIANA

Report on the Consolidated Ind AS Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Investments as on 31st March, 2019 (Refer to Note no.8 and 13 to the notes to the standalone financial statements)	
This is the largest asset on the balance sheet. Our audit effort has increased in this area and in particular, there is significant focus on considering whether the underlying investments are valued appropriately.	<ul style="list-style-type: none"> Testing whether associated controls in respect of the valuation process are operating properly and assessing whether the valuation process is appropriately designed and captures relevant valuation inputs.

quoted and unquoted equity shares, mutual funds, preference shares and tax free bonds. Investments also include investment in associate company.

The valuation of investments is based on a range of inputs. Many of the inputs required can be obtained from readily available liquid market prices and rates. Where observable market data is not available, estimates must be developed based on the most appropriate source data and are subject to a higher level of judgement.

Accordingly, investment was determined to be a key audit matter in our audit of standalone financial statements.

- Assessing the availability of quoted prices in liquid markets.
- Performing our own independent price checks using external quotes for liquid positions and to identify any potential impairment.
- We also assessed whether the Company's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.

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

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

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

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy



and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a

going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(CA Neha Kansal)
Partner
M.No.540386

Place : Ludhiana
Dated: 30.5.2019

ANNEXURE-A TO THE AUDITORS' REPORT Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its associate company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place : Ludhiana
Dated : 30.5.2019

CA Neha Kansal
(Partner)
M.No.540386

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

ALL AMOUNT IN LAKHS RUPEES, UNLESS OTHERWISE STATED

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	3	19.76	18.67	33.33
Bank balances other than above	4	43.06	38.00	110.73
Loans	5	42.14	41.50	147.70
Investments	6	99,957.43	103,456.67	103,886.24
Others financial assets	7	214.84	137.69	42.65
Total Financial assets		100,277.23	103,692.53	104,220.65
Non - financial assets				
Inventories	8	3,286.80	622.80	703.93
Current tax assets	9	3.24	53.44	53.65
Investment Property	10	3,753.39	1,979.42	1,733.16
Property, plant and equipment	11	4.15	5.66	6.19
Other non financial assets	12	1,131.17	3,422.99	1,840.52
Total Non financial assets		8,178.75	6,084.31	4,337.45
TOTAL		108,455.98	109,776.84	108,558.10
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises				
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	6.49	3.99	160.00
Borrowings (Other than Debt Securities)	14	496.10	2,425.82	1,473.54
Other financial liabilities	15	871.31	782.63	134.78
Total financial liabilities		1,373.90	3,212.44	1,768.32
Non-financial liabilities				
Current tax liabilities (net)	16	109.31	-	-
Provisions	17	2.19	14.81	1.20
Deferred tax liabilities	18	6,378.15	6,291.77	7,079.60
Other non-financial liabilities	19	43.62	48.65	82.31
Total non-financial liabilities		6,533.27	6,355.23	7,163.11
EQUITY				
Equity share capital	20	837.31	837.31	837.31
Other equity	21	99,711.50	99,371.86	98,789.36
Total equity		100,548.81	100,209.17	99,626.67
TOTAL		108,455.98	109,776.84	108,558.10

The accompanying notes form an integral part of the financial statements.

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

For YAPL & Company
Chartered Accountants
FRN 017800NNeha Kansal
Partner
M No:540386Anjali Modgil
Company SecretaryHans Raj Kapoor
Chief Financial OfficerFor and on behalf of the Board of Directors of
Nahar Capital And Financial Services LimitedDinesh Oswal
Managing Director
DIN: 00607290Jawahar Lal Oswal
Chairman
DIN: 00463866Place: Ludhiana
Date: 30 May 2019



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31ST MARCH, 2019

ALL AMOUNT IN LAKHS RUPEES, UNLESS OTHERWISE STATED

Particulars	Note No.	For Year ended March 31, 2019	For Year ended March 31, 2018
Revenue from Operations			
I INCOME			
Interest income	22	269.47	286.96
Dividend Income	23	528.24	825.23
Rental Income	24	163.17	131.40
Net gain on fair value changes	25	34.96	173.10
Total revenue from operations (I)		995.84	1,416.69
Other income	26		
Net gain on fair value changes		1,032.78	1,146.60
Net gain on derocgnition of financial instruments under amortised cost category		372.68	142.37
Other income		3.75	8.80
Total other income (II)		1,409.21	1,297.77
Total income (I+II)		2,405.05	2,714.46
Expenses:			
Finance costs	27	40.78	37.57
Fees and commission expense	28	263.69	12.32
Impairment on financial instruments	29	197.31	109.42
Purchases of Stock-in-trade		2,664.00	-
Changes in Inventories of stock-in-trade		(2,664.00)	-
Employee benefits expenses	30	373.47	365.95
Depreciation and amortisation	31	43.67	32.25
Other expenses	32	103.78	121.65
Total expenses		1,022.70	679.16
Share of Profit/(loss) of Associates accounted for using equity method		1,689.42	(261.15)
Profit before tax		3,071.77	1,774.15
Tax expense	33		
Current tax		392.93	586.62
Deferred tax charge		180.06	(719.80)
Earlier years		-	29.67
Total Tax Expense		572.99	(103.51)
Net Profit for the year		2,498.78	1,877.66
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Changes in fair value of FVOCI equity instruments		(1,466.15)	1,220.20
Remeasurements of post-employment benefit obligations		(2.28)	(13.66)
Income tax relating to items that will not be reclassified to profit or loss		94.34	72.01
Sub-total		(1,374.09)	1,278.55
Items that will be reclassified to profit or loss			
Share of Other Comprehensive Income/(loss) of Associates accounted for using equity method		(396.21)	(2,271.34)
Sub-total		(396.20)	(2,271.34)
Other comprehensive income/(loss) for the year			
Total comprehensive income/(loss) for the year		(1,770.30)	(992.79)
Profit after Tax		728.48	884.87
Earnings per equity share	34		
Equity shares of par value Rs.5 each			
Basic		14.92	11.21
Diluted		14.92	11.21

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

This is the Profit & Loss statement referred to in our report of even date

For YAPL & Company
Chartered Accountants
FRN 017800N

For and on behalf of the Board of Directors of
Nahar Capital And Financial Services Limited

Neha Kansal
Partner
M No:540386

Anjali Modgil
Company Secretary

Hans Raj Kapoor
Chief Financial Officer

Dinesh Oswal
Managing Director
DIN: 00607290

Jawahar Lal Oswal
Chairman
DIN: 00463866

Place: Ludhiana
Date: 30 May 2019

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**
ALL AMOUNT IN LAKHS RUPEES, UNLESS OTHERWISE STATED

	For year ended March 31, 2019	For year ended March 31, 2018
A Cash flow from operating activities		
Profit before tax	3,071.77	1,774.15
Adjustments for:		
Depreciation and amortisation expense	43.67	32.25
Loss on disposal of property, plant and equipment (net)	-	5.84
Interest income on fixed deposit and financials assets measured at amortised cost	(269.48)	(286.96)
Dividend income classified as investing cash flows	(528.23)	(825.24)
Share of Other Comprehensive Income/(loss) of Associates accounted for using equity method	(1,689.43)	261.15
Impairment on financial instruments	197.31	109.42
Fair value gain/(loss) on investments	17.30	61.85
Net gain on fair value changes - Non trading	(1,032.78)	(1,146.60)
Net gain on derognition of financial instruments under amortised cost category	(372.68)	(142.37)
Remeasurement gains and loss on employee benefit obligations	(2.28)	(13.66)
Corporate social responsibility expenses	(86.01)	-
Interest paid	40.78	37.573
Operating profit before working capital changes	(610.06)	(132.60)
Inflow/(outflow) on account of:		
Loans	(0.64)	(0.21)
Investments	(587.12)	(754.56)
Bank balance other than cash and cash equivalents	(5.06)	72.73
Inventory	(2,664.00)	81.14
Other financial assets	(77.15)	(95.05)
Other non-financial assets	2,335.71	(2,375.18)
Trade and other payables	2.50	(156.01)
Short term borrowings	(1,929.71)	952.28
Provisions	(12.61)	13.61
Other financial liability	88.66	647.97
Other non-financial liability	(5.03)	(33.66)
Cash used in operating activities post working capital changes	(3,464.51)	(1,779.54)
Income tax paid (net)	(209.80)	(549.46)
Net cash inflow from/ (used in) operating activities (A)	(3,674.31)	(2,329.00)
B. Cash flows from investing activities		
Purchase of Property, plant and equipment and investment property	(1,860.02)	(201.36)
Sale of investment property	-	710.25
Dividend received	639.96	1,132.90
Interest received	241.81	429.54
Purchase of investments	5,251.27	(13,817.32)
Sale of investments	(254.00)	14,400.33
Net cash inflow from/ (used in) investing activities (B)	4,019.02	2,654.34
C. Cash flows from financing activities*		
Interest paid	(40.78)	(37.69)
Dividend paid (including tax)	(302.83)	(302.33)
Net cash inflow from/ (used in) financing activities (C)	(343.61)	(340.02)
Net increase (decrease) in cash and cash equivalents (A+B+C)	1.10	(14.68)
Cash and cash equivalents at the beginning of the year	18.66	33.34
Cash and cash equivalents at the end of the year	19.76	18.66

This is the Cash Flow Statement referred to in our report of even date.

For **YAPL & Company**
Chartered Accountants
FRN 017800N

Neha Kansal
Partner
M No:540386

Anjali Modgil
Company Secretary

Hans Raj Kapoor
Chief Financial Officer

For and on behalf of the Board of Directors of
Nahar Capital And Financial Services Limited

Dinesh Oswal
Managing Director
DIN: 00607290

Jawahar Lal Oswal
Chairman
DIN: 00463866

Place: Ludhiana
Date: 30 May 2019



Notes forming part of financial statement for the year ending 31ST March 2019

1. Company overview/Corporate information

Nahar Capital & Financial Services Limited ('the Company') is a public limited company and incorporated under the provisions of Companies Act. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-deposit taking Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ("RBI") in January 2008. The Company has been categorized as Systemically Important Non Deposit Taking Non-banking Financial Company (NBFCs-ND-SI) having asset size above Rs. 500.00 Crore as per systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) companies Prudential norms(Reserve Bank) Directions, 2015 of Reserve Bank of India. The main business activity of the Company is to carry on the business of investment in shares, debentures, stock, bonds and securities of all kinds and other businesses generally carried on by finance and investment companies. The company is domiciled in India and has its registered office at Ludhiana, Punjab, India. The CIN No of the Company is L45202PB2006PLC029968 and RBI Registration no is N-06.00588. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited.

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2019

2. Summary of significant accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the consolidated financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

1. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These consolidated financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in this consolidated financial statements.

The consolidated financial statements for the year ended March 31, 2019 are the first consolidated financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The consolidated financial statements up to and for the year ended March 31, 2018 were prepared in accordance with the accounting standard notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other applicable guidelines issued by the RBI, which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

As these are the Company's first consolidated financial statements prepared in accordance with Ind AS, the Company has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 46

The consolidated financial statements for the year ended March 31, 2019 were authorized and approved for issue by the Board of Directors on 30 May 2019.

(ii) Historical cost convention

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

(iii) Basis of consolidation of Associates

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

2. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if



capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Depreciation on property, plant and equipment is provided on the straight-line basis as per the rates specified in Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

The Company fully depreciates the assets having individual value of Rs. 5,000 or less in the year of acquisition.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Depreciation on property, plant and equipment is provided on the straight-line basis as per the rates specified in Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year. The Company fully depreciates the assets having individual value of Rs. 5,000 or less in the year of acquisition.

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Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

Transition to Ind AS

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2017.

3. Investment Property

Properties held to earn rentals or / and for capital appreciation or both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes, are categorized as investment properties. These are measured initially at cost of acquisition, including transaction costs and other direct costs attributable to bringing asset to its working condition for intended use. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost shall also include borrowing cost if the recognition criteria are met. Said assets are depreciated on straight line basis based on expected life span of assets which is in accordance with Schedule II of the Act. However, as per Ind AS 40, there is a requirement to disclose fair value as at the balance sheet date.



4. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Transition to Ind AS

The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. April 1, 2017.

5. Inventories

Inventories represent real estate properties held for trading and also property held for joint development agreement for construction of residential cum commercial complex and these are measured at fair value in books of accounts.

6. Revenue recognition

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date. Profit/Loss on Sale of investments is considered at the time of sale/redemption.

Rental income

Rental Income is accounted for on accrual basis.

Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

7. Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended usage, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

8. Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it is recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing



evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

9. Employee benefits

Short-term employee benefits

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

Other long term employee benefit obligations:

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

Post-employment obligations:

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

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

Defined contribution plans

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

10. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

11. Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

1. Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.



2. Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
3. Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

12. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

13. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material

Contingent liability is disclosed for:

1. Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
2. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

14. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement



Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

- 1. Financial assets carried at amortised cost** - a financial asset is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.
- 2. Investments in equity instruments** - Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- 3. Investments in mutual funds/venture capital funds/alternative investment funds (AIF)** - Investments in mutual funds, venture capital funds and AIF are measured at fair value through profit and loss (FVTPL).
- 4. Investments held for trading purposes** - The Company has investments in equity instruments, mutual funds, debentures, bonds etc. which are held for trading purposes and therefore, classified as at fair value through profit or loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

15. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.



For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly by the executive committee ('chief operating decision maker') in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

17. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Provisions - At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets - Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) - Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Fair value measurements - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

18. Standards issued but not yet effective as on date

Ind AS 116 'Leases'

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is April 1, 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the consolidated financial statements.



Amendment to Ind AS 19, Employee benefits

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 109, Financial instruments

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 23, Borrowing costs

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements of the amendments and their impact on the consolidated financial statements.



Particular	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
3 Cash and cash equivalents			
Cash on hand	0.23	0.38	0.66
Balance with banks with scheduled banks in current accounts	10.41	3.92	22.62
- with scheduled banks held as PMS	9.12	14.37	10.05
Total	19.76	18.67	33.33
4 Bank balances other than above			
Bank deposits with banks	11.39	6.42	80.33
Earmarked Balances with banks for unpaid dividends	31.67	31.58	30.40
	43.06	38.00	110.73
5 Loans The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109.			
(A) Loans			
Loans repayable on demand	82.09	182.09	182.09
Other Loans to employees	1.09	0.45	0.24
Total (A) - Gross Loans	83.18	182.54	182.33
Less: Impairment loss allowance	(41.04)	(141.04)	(34.63)
Total (A) - Net Loans	42.14	41.50	147.70
(B) Security Details			
Secured by tangible asset	82.09	82.09	82.09
Unsecured	1.09	100.45	100.24
Total (B) - Gross Loans	83.18	182.54	182.33
Less: Allowance for impairment loss for loan assets	(41.04)	(141.04)	(34.63)
Total (B) - Net Loans	42.14	41.50	147.70
Loans in India	83.18	182.54	182.33
Loans outside India	-	-	-
Total (B) - Gross Loans	83.18	182.54	182.33
Less: Allowance for impairment loss for loan assets	(41.04)	(141.04)	(34.63)
Total (B) - Net Loans	42.14	41.50	147.70
5.1 Reconciliation between the figures reported under Ind-AS and actual amounts outstanding in respect of Loans:			
Net Loans	42.14	41.50	147.70
Add: Allowance for Expected Credit Loss netted off as per Ind-AS	41.04	141.04	34.63
Gross Loan	83.18	182.54	182.33



6.A. Investments

Particulars	Amortized cost	Through other comprehensive income	At Fair Value		At Cost	Total
			Through profit or loss	Sub-total		
As at March 31, 2019						
Investments						
A) in India						
Mutual Funds	-	-	17,511.62	17,511.62	-	17,511.62
Government securities	154.19	-	-	-	-	154.19
Debt Securities	2,717.30	-	791.08	791.08	-	3,508.38
Preference shares	1,766.61	-	-	-	-	1,766.61
Equity Instruments						
(Other Group companies)	-	15,068.77	-	15,068.77	-	15,068.77
Equity Instruments (Others)	-	7,279.40	1,510.39	8,789.79	-	8,789.79
AIF/ Venture funds	-	-	2,824.55	2,824.55	-	2,824.55
Interest accrued	-	-	-	-	92.08	92.08
Total - Net	4,638.10	22,348.17	22,637.64	44,985.81	92.08	49,715.99

As at March 31, 2018						
Investments						
A) in India						
Mutual Funds	-	-	20,501.50	20,501.50	-	20,501.50
Government securities	154.19	-	-	-	-	154.19
Debt Securities	4,219.87	-	584.76	584.76	-	4,804.64
Preference shares	2,254.08	-	-	-	-	2,254.08
Equity Instruments						
(Other Group companies)	-	16,820.71	-	16,820.71	-	16,820.71
Equity Instruments (Others)	-	6,117.61	1,413.85	7,531.46	-	7,531.46
AIF/ Venture funds	-	-	2,242.78	2,242.78	-	2,242.78
Interest accrued	-	-	-	-	64.41	64.41
Total - Net	6628.14	22,938.32	24,742.89	47,681.21	64.41	54,373.77

As at April 1, 2017						
Investments						
A) in India						
Mutual Funds	-	-	21,977.85	21,977.85	-	21,977.85
Government securities	154.19	-	-	-	-	154.19
Debt Securities	3,931.73	-	385.18	385.18	-	4,316.91
Preference shares	1,674.08	-	-	-	-	1,674.08
Equity Instruments						
(Other Group companies)	-	15,973.97	-	15,973.97	-	15,973.97
Equity Instruments (Others)	-	5,076.22	958.55	6,034.77	-	6,034.77
AIF/ Venture funds	-	-	1,561.72	1,561.72	-	1,561.72
Interest accrued	-	-	-	-	206.99	206.99
Total - Net	5,760.00	21,050.19	24,883.30	45,933.49	206.99	51,900.48

B. Investments accounted for using equity method

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Investment in Associates			
Nahar Spinning Mills Limited (10,257,384 equity shares of Rs. 59.34 each)	24,940.75	23,279.58	24,352.23
Nahar Poly Films Limited (1,2087,671 equity shares of Rs. 23.88 each)	9,605.04	9,477.94	11,478.42
Nahar Industrial Enterprises Limited (9,336,745 equity shares of Rs. 106.82 each)	15,695.65	16,325.38	16,155.11
Total	50,241.44	49,082.90	51,985.76



	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
7 Others financial assets			
Others	143.95	95.45	16.79
Security deposits	70.89	42.24	25.86
	214.84	137.69	42.65
8 Inventories			
Real Estate Property	3,286.80	622.80	703.93
	3,286.80	622.80	703.93
9 Current tax assets (net)			
Advance income tax	263.24	573.44	523.65
Less: Provision for income tax	260.00	520.00	470.00
Current tax assets (net)	3.24	53.44	53.65

10 Investment property

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2018	Additions	Disposal/ adjustments	As at 31 March 2019	As at 1 April 2018	Charge for the year	Adjustment disposal of assets	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Buildings	2,009.94	1,815.64	-	3,825.58	30.52	41.67	-	72.19	3,753.39	1,979.42
	2,009.94	1,815.64	-	3,825.58	30.52	41.67	-	72.19	3,753.39	1,979.42

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2017	Additions	Disposal/ adjustments	As at 31 March 2018	As at 1 April 2017	Charge for the year	Adjustment disposal of assets	As at 31 March 2018	As at 31 March 2018	As at 1 April 2017
Buildings	1,785.01	992.75	767.82	2,009.94	51.85	30.40	51.73	30.52	1,979.42	1,733.16
	1,785.01	992.75	767.82	2,009.94	51.85	30.40	51.73	30.52	1,979.42	1,733.16

10.1 Fair value of investment property:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Carrying Value	3,753.39	1,979.42	1,733.16
Fair Value	3,753.39	1,979.42	1,733.16

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from variety of sources including:

- current prices in an active market of similar properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- current circle rates in the jurisdiction where the investment property is located.

The fair values of investment property has been determined by an independent valuer and the main inputs used are circle rates and current prices of similar properties. All resulting fair value estimates for investment property are included in Level 3.

11 Property, plant and equipment

Particulars	Gross block			Depreciation				Net Block		
	* As at 1 April 2018	Additions	Disposal/ adjustments	As at 31 March 2019	* As at 1 April 2018	Charge for the year	Adjustment on disposal of assets	As at 31 March 2019	As at 31 March 2019	* As at 31 March 2018
Vehicles	11.57	-	-	11.57	7.14	1.43	-	8.56	3.00	4.43
Office equipment	3.17	0.49	-	3.66	1.94	0.57	-	2.51	1.15	1.23
Total	14.74	0.49	-	15.23	9.08	2.00	-	11.07	4.15	5.66

Particulars	Gross block			Depreciation				Net Block		
	* As at 1 April 2017	Additions	Disposal/ adjustments	As at 31 March 2018	* As at 1 April 2017	Charge for the year	Adjustment on disposal of assets	As at 31 March 2018	As at 31 March 2018	* As at 31 March 2017
Vehicles	11.57	-	-	11.57	5.71	1.43	-	7.14	4.43	5.86
Office equipment	1.85	1.32	-	3.17	1.52	0.42	-	1.94	1.23	0.33
Total	13.42	1.32	-	14.74	7.23	1.85	-	9.08	5.66	6.19

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

11.1 In the opinion of management, there are no events or changes in circumstances that indicate the impairment of PPE and Intangible Assets in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment has been made.

11.2 While the Company has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised certain borrowing costs on account of general borrowings at an average rate of borrowings for the Company in terms of Ind AS 23 'Borrowing Costs'.



Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
12 Other non financial assets			
Advances against property	-	2,375.90	-
Capital Advance	1,090.40	1,046.50	1,839.21
Balance with government authorities	39.52	-	-
Prepaid insurance	1.25	0.59	0.57
Prepaid expenses	-	-	0.74
	1,131.17	3,422.99	1,840.52
13 Trade payables			
Total outstanding dues of MSMED's	-	-	-
Total outstanding dues of creditors other than MSMED's	6.49	3.99	160.00
	6.49	3.99	160.00
14 Borrowings (Other than Debt Securities)*			
Secured loans			
Overdraft facility against investments	496.10	1,425.82	1,473.54
Inter Corporate Loan from Related Party	-	1,000.00	-
	496.10	2,425.82	1,473.54
Total (A)	496.10	2,425.82	1,473.54
Borrowings in India	496.10	2,425.82	1,473.54
Borrowings outside India	-	-	-
	496.10	2,425.82	1,473.54
Total (B)	496.10	2,425.82	1,473.54
Note - Loan from banks are secured against lien on investments in Mutual Funds worth, Cost Rs.3850 Lakhs and Market Value Rs. 4455.08 Lakhs			
15 Other Financial liabilities			
Interest accrued on borrowings	-	-	0.12
Security deposits	104.62	54.56	39.39
Advance against asset held for sale	600.00	600.00	-
Payable to employees	27.31	25.88	14.57
Unpaid dividend	31.67	31.58	30.40
Expenses payables	27.47	13.91	50.30
Other payables	80.24	56.70	-
	871.31	782.63	134.78
16 Current tax liabilities (net)			
Minimum alternate tax payable (net)	109.31	-	-
	109.31	-	-
17 Provisions			
Provisions for compensated absences(LWW)	0.61	1.21	1.20
Provision for gratuity	1.58	13.60	-
	2.19	14.81	1.20
18 Deferred tax liabilities (net)			
Deferred tax liabilities recognised on account of:			
Investments measured at fair value through profit and loss	6,378.15	6,291.77	7,079.60
Total deferred tax liabilities (net)	6,378.15	6,291.77	7,079.60



Movement in deferred tax liability for the year ended 31 March 2019

Particulars	As at April 1, 2018	Recognised in other comprehensive income/ equity	Recognised statement of profit and loss	As at March 31, 2019
Deferred tax liability:				
Investments measured at fair value through profit and loss	6,291.76		86.39	6,378.15

Movement in deferred tax liability for the year ended 31 March 2019

Particulars	As at April 1, 2017	Recognised in other comprehensive income/ equity	Recognised statement of profit and loss	As at March 31, 2018
Deferred tax liability:				
Investments measured at fair value through profit and loss	7,079.60		(787.83)	6,291.77

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
19 Other non-financial liabilities			
Statutory dues	21.84	35.79	7.73
Advance against property	-	-	60.00
Deferred income	21.78	12.86	14.58
	43.62	48.65	82.31

20 Equity Share capital

Authorised equity share capital

30,000,000 (Previous year : 30,000,000) equity shares of ₹ 5 each	1,500.00	1,500.00	1,500.00
	1,500.00	1,500.00	1,500.00

Issued, subscribed and paid up equity share capital

16,746,167 (Previous year : 16,746,167) equity shares of ₹ 5 each	837.31	837.31	837.31
	837.31	837.31	837.31

(i) Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 5 each. Each equity shareholder entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2019		31 March 2018		1 April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	167.46	837.31	167.46	837.31	167.46	837.31
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
At the end of the year	167.46	837.31	167.46	837.31	167.46	837.31

iii) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

Particulars	March 31, 2019		March 31, 2018		April 1, 2017	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Nahar Polyfilms Ltd	66.12	39.48%	66.12	39.48%	66.12	39.48%
Nahar Industrial Enterprises Ltd	13.63	8.14%	13.63	8.14%	13.63	8.14%
Oswal Woollen Mills Ltd	13.22	7.90%	13.22	7.90%	13.22	7.90%



Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
21 Other equity			
General reserve	33,321.15	33,321.15	33,321.15
Retained earnings	34,083.86	32,106.64	31,097.64
Statutory reserve fund	5,146.46	4,886.46	4,305.46
Security premium	12,591.71	12,591.71	12,591.71
CSR reserve	50.80	86.03	42.39
Other comprehensive income:			
Equity instruments through other comprehensive income	14,517.52	16,379.87	17,431.01
Total reserves	99,711.50	99,371.86	98,789.36

21.1 General reserve

The Company has transferred a portion of the net profit of the group before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

21.2 Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

21.3 CSR reserve

The Company is required to create the CSR activity reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of Companies Act, 2013 and rules made thereunder.

21.4 Retained earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

21.5 Reserve Fund u/s 45-IC of RBI Act 1934

Reserve Fund u/s 45-IC of RBI Act 1934 The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the year, the Company has created Statutory Reserve Fund amounting to `Rs. 51.46 crore (March 31, 2018: Rs.48.86 crore and April 1, 2017: Rs. 43.05 crore.

21.6 Other comprehensive income

(i) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised

(ii) The Company has recognised remeasurements of defined benefits plans through other comprehensive income.

(iii) The Company recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity.

22 Interest income

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	On Financial Assets measured at Amortised Cost	Interest income on financial assets classified at FVTPL	On Financial Assets measured at at Amortised Cost	Interest income on assets classified at FVTPL
Interest on loan assets	27.38	-	-	-
Interest on deposits with banks	0.55	-	1.45	-
Interest from alternate investments funds	-	80.47	-	102.48
Interest from bonds and debentures	157.01	-	183.03	-
Interest from commodities	-	-	-	-
Other interest income	4.06	-	-	-
	189.00	80.47	184.48	102.48
Total	269.47		286.96	



Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
23. Dividend income		
Dividends from associate companies	-	-
Dividends from other investments	528.25	825.23
	528.25	825.23
24. Rental Income		
Rental Income	163.17	131.40
	163.17	131.40
25 Net gain on fair value changes		
Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	34.96	173.10
- Mutual Funds	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
Total Net gain on fair value changes	34.96	173.10
Total Net gain on fair value changes [A+B]		
Fair Value Changes:		
-Realised	34.96	108.61
-Unrealised	-	64.49
Total Net gain on fair value changes	34.96	173.10
26 Other income		
Net gain on fair value changes	1,032.78	1,146.60
Net gain on derecognition of financial instruments under amortised cost category	372.68	142.37
Other income		
-Income from stock lending	-	1.28
-Miscellaneous income	3.75	7.52
Total other income	1,409.21	1,297.77
27 Finance cost		
(On Financial liabilities measured at Amortised Cost)		
Interest on deposits		
Interest on borrowings	35.11	32.91
Other interest expense	5.67	4.66
	40.78	37.57
28 Fees and commission		
Fees and other charges	263.69	12.32
	263.69	12.32
29 Impairment on financial instruments		

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at value through OCI	On Financial Assets measured at Amortised Cost
Impairment on loan assets	-	-	-	106.42
Investments	104.00	-	3.00	
Others (Preference Shares Diminution)	-	93.31	-	
Total	104.00	93.31	3.00	106.42



Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
30 Employee benefits expenses		
Salaries, wages and bonus	369.17	351.07
Contribution to provident fund and other funds	4.26	14.83
Staff welfare expense	0.04	0.05
	373.47	365.95
31 Depreciation and amortisation		
Depreciaion on tangible assets and investment properties	43.67	32.25
	43.67	32.25
32 Other expenses		
Power and fuel	0.69	1.53
Power and fuel	0.69	1.53
Rental expense	3.25	2.91
R&M building	8.06	2.59
Rates and taxes	6.98	5.07
Insurance charges	1.33	1.31
Legal and professional charges	63.40	75.76
Travelling and conveyance	3.55	9.78
Vehicle running and maintenance	0.92	1.19
Payment to auditors	0.82	1.09
Communication expenses	1.66	1.77
Director sitting fees	3.20	3.10
Printing & Stationery	2.75	3.21
AGM Expenses	0.44	0.44
STT	1.45	2.74
Loss on sale of fixed assets	-	5.84
Donation	0.70	0.81
Miscellaneous expenses	4.58	2.51
	103.78	121.65
33 Tax expense		
(i)Current tax	392.93	586.62
(ii) Deferred tax charge/(credit)	180.06	(719.80)
(iii)Tax - earlier years	-	29.67
	572.99	(103.51)

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	3,071.78	1,774.17
Statutory income tax rate	29.12%	34.61%
Tax expense at statuory income tax rate (A)	894.50	614.00



Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Adjustments in respect of taxes earlier years to reported income tax expense		
(i) Tax impact of income chargeable at different tax rate	(244.58)	(282.30)
(ii) Income exempted from tax	(235.14)	(418.92)
(iii) Tax impact of expenditure allowed on payment basis	44.34	100.74
(iv) Unrecognised tax assets	(28.95)	(12.57)
(v) Adjustments for current tax of prior periods	-	29.67
(vi) Minimum alternate tax (MAT) credit not created	315.80	300.10
(vi) Minimum alternate tax (MAT) impact on transition to Ind AS	109.30	-
(vii) Reversal of deferred tax created on transition to Ind AS	(50.06)	-
(viii) Tax effect on JV profit and OCI accounted for using equity method	(232.89)	(438.21)
(ix) Others	0.67	3.98
Adjustments in respect of taxes earlier years (B)	(321.51)	(717.51)
Total (A+B)	572.99	(103.51)

34 Earning per share

Net profit attributable to equity shareholders		
Net profit/(Loss) for the year	2,498.78	1,877.66
Par value per share	5.00	5.00
Weighted average number of equity shares	167.46	167.46
Earnings per share - Basic and diluted	14.92	11.21

35 Corporate social responsibility expenses

Direct expenditure	-	-
Overheads expenditure	-	-

35.1 Disclosure in respect of Corporate social responsibility expenses :

(a) Gross Amount required to be spent by the Company during the year 2018-19 is Rs. 50.78 Lakhs (Previous two years Rs. 86.01 Lakhs).		
(b) Amount spent during the year :		
(i) Construction/ acquisition of any asset		
In Cash		
Yet to be paid	-	-
(ii) On purpose other than (i) above		
In Cash	86.01	
Yet to be paid	50.78	86.01
	136.79	86.01

(c) The Company for its CSR obligation joined hands with other group companies and agreed to do CSR obligation through a SPV, a recognized charitable organization, M/s. Oswal Foundation. The said organization has done various activities under CSR. Last year the project of Eye Care which was under consideration could not be taken up and discarded. Now the said society is considering a new health care project. The Company would contribute its CSR obligation as and when it is finalized. In the meantime amount of CSR obligation Rs. 5078321 (Rs. fifty lakh seventy eight thousand three hundred twenty one only) has been set apart towards CSR activity reserve.

36 Related party disclosures

In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

36.1 List of related parties and disclosures

Description of relationship	Names of related parties
Associate Companies	Nahar Industrial Enterprises Limited Nahar Poly Films Limited Nahar Spinning Mills Limited



Other Group Companies

Oswal Woollen Mills Limited, Monte Carlo Fashions Limited, Cotton County Retail Ltd., Vanaik Spinning Mills Ltd., Abhilash Growth Fund (P) Ltd., Atam Vallabh Financers Ltd., Bermuda Insurance Brokers Pvt. Ltd., Kovalam Investments & Trading Co. Ltd., Monica Growth Fund (P) Ltd., Nagdevi Trading & Investments Co. Ltd., Nahar Growth Fund (P) Ltd., Neha Credit & Investments (P) Ltd., Crown Stars Ltd., Ruchika Growth Fund (P) Ltd., Girnar Investments Ltd., HUG Foods (P) Ltd., Sankeshwar Holding Co. Ltd., Vanaik Investors Ltd., Vardhman Investments Ltd., J.L. Growth Fund Ltd., Simran & Shanaya Co. Ltd., Sidhant & Mannat Co. Ltd., Oswal Foundation, Amloh Industries Limited, Retailerkart E Venture Private Limited, Nahar Industrial Infrastructure Corporation Limited, Nahar Financial and Investment Limited, Palam Motels Limited, Vigil Investment Private Limited, Shri Atam Fabrics Limited, Cabot Trading and Investment Co Private Limited, Marble E Retail Private Limited, Suvrat Trading Company Limited, White Tiger Breweries and Distilleries Limited, Closetrunk Pvt. Ltd.

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation
Jawahar Lal Oswal	Chairman
Dinesh Oswal	Managing Director
Kamal Oswal	Director
Dinesh Gogna	Director
Satish Kumar Sharma	Director
Manisha Gupta	Independent Director
Kanwar Sain Maini	Independent Director
Satish Kumar Singla	Independent Director
Vijay Asdhir	Independent Director
Amrik Singh Sohi	Independent Director
Anjali Modgil	Company Secretary
Hans Raj Kapoor	Chief Financial Officer

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:

Nahar Poly Films Limited
Nahar Spinning Mills Limited
Oswal Woollen Mills Limited

36.2 Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	Nature of transaction	As at	As at
		31 March 2019	31 March 2018
Mr. Dinesh Oswal	Remuneration	270.00	276.00
Mr. Jawahar Lal Oswal	Sitting Fee	0.40	0.40
Mr. Kamal Oswal	Sitting Fee	0.40	0.40
Mr. Dinesh Gogna	Sitting Fee	0.40	0.40
Mr. Satish Kumar Sharma	Sitting Fee	0.40	0.40
Dr. Manisha Gupta	Sitting Fee	0.40	0.20
Prof. Kanwar Sain Maini	Sitting Fee	0.20	0.30
Dr. Suresh Kumar Singla	Sitting Fee	0.30	0.40
Dr. Vijay Asdhir	Sitting Fee	0.40	0.20
Dr. Amrik Singh Sohi	Sitting Fee	0.30	0.20
Dr. Mrs. Harbhajan Kaur Bal	Sitting Fee	-	0.20
Nahar Spinning Mills Limited	Rent paid	2.58	2.43
	Reimbursement of Expenses	152.57	25.18
	Loan Paid	575.00	-
	Interest Received	12.81	-
Nahar Poly Films Limited	Loan Paid	785.00	-
	Interest Received	7.13	-
Oswal Woollen Mills Limited	Rent paid	0.67	0.47
	Reimbursement of Expenses	0.45	4.20



36.3 Key management personnel remuneration includes the following expenses:

Particulars	As at 31 March 2019	As at 31 March 2018
Short-term employee benefits		
Managerial Remuneration		
Paid to Mr. Dinesh Oswal	270.00	276.00
Director Sitting Fee		
Mr. Jawahar Lal Oswal	0.40	0.40
Mr. Kamal Oswal	0.40	0.40
Mr. Dinesh Gogna	0.40	0.40
Mr. Satish Kumar Sharma	0.40	0.40
Dr. Manisha Gupta	0.40	0.20
Prof. Kanwar Sain Maini	0.20	0.30
Dr. Suresh Kumar Singla	0.30	0.40
Dr. Vijay Asdhir	0.40	0.20
Dr. Amrik Singh Sohi	0.30	0.20
Dr. Mrs. Harbhajan Kaur Bal	-	0.20
Post-Employment Benefits	-	-
Termination Benefits	-	-
Total remuneration	273.20	279.10

Note: As provisions for gratuity and leave benefits are made for the Company as a whole, the amounts pertaining to the Key management personnel are not specifically identified and hence are not included above.

36.4 Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Nahar Spinning Mills Limited	Other payable	2.70	0.20	0.94
Abhilash Growth Fund (P) Ltd	Other payable	-	1.37	-
Oswal Woollen Mills Limited	Other receivable	-	0.40	-
Oswal Woollen Mills Limited	Other payable	0.79	-	7.52
Mr. Dinesh Oswal	Remuneration payable	15.20	14.25	4.65

37 Employee benefit obligations

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A) Defined Benefit Plans - Post-Employment Benefits			
Gratuity	52.08	45.75	28.57
(B) Other long term employee benefits			
Leave encashment	N.A.	N.A.	N.A.
Total	52.08	45.75	28.57

A) Disclosure for

A. Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation.

The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Balance Sheet and the funded status is as under:

(i) Amount recognised in the statement of profit and loss is as under:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Current service cost (net)	1.55	N.A.	N.A.
Net impact on profit (before tax)	1.98	-	-



Actuarial loss/(gain) recognised during the year

Amount recognised in total comprehensive income	1.98	-	-
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(ii) Change in the present value of benefit obligation:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Present value of defined benefit obligation as at the beginning of the year	45.75	28.56	25.87
Interest cost	3.62	2.28	2.07
Service cost	1.55	1.30	1.40
Benefits paid	(1.05)	(0.05)	(0.01)
Actuarial loss/(gain)	2.21	13.66	(0.77)
Present value of defined benefit obligation as at the end of the year	52.08	45.75	28.56

(iii) Movement in the plan assets recognised in the balance sheet is as under:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Fair value of plan assets at the beginning of the period	32.29	29.65	27.44
Actual return on plan assets	(0.07)	2.14	2.26
Employer Contribution	16.14	(1.64)	(0.05)
Interest Income on plan assets	3.19	2.14	-
Benefits paid	(1.05)	-	-
Actuarial gain	-	-	-
Fair value of plan assets at the end of the period	50.50	32.29	29.65

(ii) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Present value of funded obligation as at the end of the year			
Fair value of plan assets as at the end of the period funded status			
Unfunded/funded net liability recognized in balance sheet	-	-	-

(iv) Actuarial (gain)/loss recognised in other comprehensive income:

Description	March 31, 2019	March 31, 2018
Actuarial (gain)/loss from change in demographic assumption	2.17	-
Actuarial (gain)/loss from change in financial assumption	1.78	-
Actuarial (gain)/loss from experience adjustment	(1.74)	-
Total actuarial (gain)/loss	2.21	-

(v) Actuarial assumptions used for determination of the liability of the Company:

Description	March 31, 2019	March 31, 2018	April 1, 2017
Discount rate	6.80%	8.00%	8.00%
Rate of salary increase	7.00%	7.00%	7.00%
Expected rate of return on plan assets	N.A.	N.A.	N.A.
Average past service	9.68 years	N.A.	N.A.
Average age	45.05 years	N.A.	N.A.
Average remaining working life	N.A.	N.A.	N.A.
Withdrawal/Attrition rate			
Up to 30 Years	10.00%	3.00%	N.A.
From 31 to 44 years	N.A.	2.00%	N.A.
Above 44 years	N.A.	1.00%	N.A.

Notes to actuarial assumptions:

1) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

2) The estimates of future salary increases considered takes into account the inflation seniority promotion and other relevant factors.



(vi) Sensitivity analysis for gratuity liability

Description	March 31, 2019	March 31, 2018
a) Impact of change in discount rate		
Present value of obligation at the end of the year	6.80%	N.A.
- Impact due to increase of 0.50 %	-0.76%	N.A.
- Impact due to decrease of 0.50 %	0.81%	N.A.
b) Impact of change in salary/cost increase		
Present value of obligation at the end of the year	7.00%	N.A.
- Impact due to increase of 0.50 %	0.47%	N.A.
- Impact due to decrease of 0.50 %	-0.45%	N.A.
c) Impact of change in withdrawal rate		
Withdrawal rate as on 31 March, 2019	10.00%	N.A.
-Effect on DBO due to 5% increase in withdrawal rate	0.42%	N.A.
-Effect on DBO due to 5% decrease in withdrawal rate	0.51%	N.A.

"Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated."

"Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable."

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(vii) Maturity profile of defined benefit obligation

Description	March 31, 2019	March 31, 2018
Within next 12 months	20.90	N.A.
Between 1-5 years	21.49	N.A.
Beyond 5 years	21.27	N.A.
	<u>63.66</u>	<u>-</u>

B Other long term employee benefits

Disclosure for Leave encashment
Amount recognised in the statement of profit and loss is as under:

Description	March 31, 2019	March 31, 2018
Current service cost	N.A.	N.A.
Interest cost	N.A.	N.A.
Actuarial loss/(gain) recognised during the year	N.A.	N.A.
Net impact on profit (before tax)	<u>-</u>	<u>-</u>

38 Commitments

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Commitments not provided for in respect of:		
(i) Contracts remaining to be executed on capital account		
- Uncalled liability on shares, Investment Property and other Investments partly Paid	2,045.77	1,603.97
(ii) Other commitments		
- Demand of Income Tax Payable for A.Y. 2013-2014 & 2015-2016	29.67	29.67
	<u>2,075.44</u>	<u>1,633.64</u>



39 Assets pledged as security

The carrying amounts of assets pledged as security are:

Particulars	31 March 2019	31 March 2018	1 April 2017
Investments	4,455.08	2,335.56	2,099.66
Total assets pledged as security	4,455.08	2,335.56	2,099.66

40 Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Borrowings (other than debt securities)	Total
1 April 2017	1,473.54	1,473.54
Cash flows:		
- Repayment of borrowings	547.72	547.72
- Proceeds of borrowings	1,500.00	1,500.00
31 March 2018	2,425.82	2,425.82
Cash flows:		
- Repayment of borrowings	1,929.71	1,929.71
31 March 2019	496.10	496.10

41 The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

	March 31, 2019		March 31, 2018		April 1, 2017	
	"Within 12 months"	"More than 12 months"	"Within 12 months"	"More than 12 months"	"Within 12 months"	"More than 12 months"
ASSETS						
Financial assets						
Cash and cash equivalents	19.76	-	18.67	-	33.34	-
Bank balances other than above	31.67	11.39	31.58	6.42	30.40	80.33
Loans	1.09	41.05	0.45	41.05	0.24	147.46
Investments	3,321.45	96,635.99	2,751.62	100,705.05	2,008.26	101,877.99
Other financial assets	143.95	70.89	95.45	42.24	16.78	25.86
	3,517.92	96,759.31	2,897.77	100,794.76	2,089.02	102,131.64
Non Financial assets						
Inventories	3,286.80	-	622.80	-	703.93	-
Current tax assets (net)	-	3.24	-	53.44	-	53.65
Investment property	-	3,753.39	-	1,979.42	-	1,733.16
Property, plant and equipment	-	4.15	-	5.66	-	6.19
Other non financial assets	40.77	1,090.38	0.59	3,422.40	1.30	1,839.21
	3,327.57	4,851.18	623.39	5,460.92	705.24	3,632.21
TOTAL	6,845.51	101,610.47	3,521.16	106,255.67	2,794.25	105,763.85

LIABILITIES AND EQUITY

LIABILITIES

Financial Liabilities

Payables

(I) Trade Payables

(i) total outstanding dues of MSMEs

(ii) total outstanding dues of

creditors other than MSMEs	6.49	-	3.99	-	160.00	-
Debt securities	-	-	-	-	-	-
Borrowings (other than debt securities)	-	496.10	-	1,425.82	1,000.00	1,473.54
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	135.01	736.30	96.48	686.15	64.99	69.79
	637.60	736.30	1,526.29	1,686.15	1,698.53	69.79



Non Financial Liabilities						
Current tax liabilities (net)	109.31	-	-	-	-	-
Provisions	2.19	-	14.81	-	1.20	-
Deferred tax liabilities (net)	6,378.15	-	-	6,291.77	-	7,079.60
Other non financial liabilities	21.84	21.78	35.79	12.86	7.73	74.58
	6,511.49	21.78	50.60	6,304.63	8.93	7,154.18
TOTAL	7,149.09	758.07	1,576.89	7,990.78	1,707.46	7,223.97
NET	(303.60)	100,852.41	1,944.27	98,264.90	1,086.80	98,539.87

42 Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	"As at March 31, 2019"	"As at March 31, 2018"	"As at April 1, 2017"
Financial assets measured at fair value				
Investments* measured at				
(i) Fair value through other comprehensive income	Note - 6	22,348.17	22,938.32	21,050.19
(ii) Fair value through profit and loss	Note - 6	22,654.97	24,742.89	24,896.51
Financial assets measured at amortised cost				
Investments	Note - 6	4,712.85	6,692.55	5,953.78
Cash and cash equivalents	Note - 3	19.76	18.66	33.34
Bank balances other than above	Note - 4	43.06	38.00	110.73
Loans	Note - 5	42.14	41.50	147.70
Other financial assets	Note - 7	214.84	137.69	42.64
Total		50,035.80	54,609.62	52,234.90
Financial liabilities measured at amortised cost				
Trade payables	Note - 13	6.49	3.99	160.00
Borrowings (other than debt securities but including interest accrued)	Note - 14	496.10	2,425.82	1,473.54
Other financial liabilities	Note - 15	871.31	782.63	134.78
Total		1,373.90	3,212.44	1,768.32

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

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through other comprehensive income				
Quoted equity investments	16,125.51	-	-	16,125.51
	-	-	9306.92	6,222.66
Investments at fair value through profit and loss				
Mutual funds	17,511.62	-	-	17,511.62
Venture capital funds and alternative investment funds	-	-	2,841.88	2,841.88



As at 31 March 2018	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through other comprehensive income				
Quoted equity investments	13,614.76	-	-	13,614.76
Unquoted equity investments	-	-	9,269.72	9,269.72
Investments at fair value through profit and loss				
Mutual funds	20,501.50	-	-	20,501.50
Venture capital funds and alternative investment funds	-	-	2,242.78	2,242.78

As at 1 April 2017	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through other comprehensive income				
Quoted equity investments	11,620.55	-	-	11,620.55
Unquoted equity investments	-	-	9,378.80	9,378.80
Investments at fair value through profit and loss				
Mutual funds	21,977.85	-	-	21,977.85
Venture capital funds and alternative investment funds	-	-	1,574.93	1,574.93

Valuation Techniques for fair value disclosures (Level 1, Level 2 and Level 3) Investment in Quoted Equity Investments - Level 1 - Investment in listed equity instruments are measured at their readily available quoted price in the market.

Investment in Unquoted Equity Investments - Level 3 - the Company has used earning capitalisation method (fair value approach) discounted at a rate to reflect the risk involved in the business.

Investment in Mutual funds - Level 1 - Investment in mutual funds are measured at their readily available net asset value (NAV) (per unit) in the market Investment in Venture Capital Funds and Alternative Investment Funds Level 3 - Investment in venture capital funds and alternative investment funds are measured at their fair value as per the Net Asset Value (NAV) Certificate shared by the fund/investee party.

43 The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	"As at 1 April 2017"	Purchases	Sales	Issuance	Net interest/(loss) income and other income/(loss)	Other comprehensive	at 31 March 2018"
income "As Investment in Venture Funds	1,574.93	847.00	(121.84)	-	(44.10)	-	2,255.99
Investment in Equity instruments	9,378.80	-	-	-	-	(106.08)	9,272.72
Total investments	10,953.73	847.00	(121.84)	-	(44.10)	(106.08)	11,528.71

Particulars	"As at 1 April 2018"	Purchases	Sales	Issuance	Net interest/(loss) income and other income/(loss)	Other comprehensive	at 31 March 2019"
Investment in Venture Funds	2,255.99	693.48	(245.89)	-	134.18	-	2,837.76
Investment in Equity instruments	9,272.72	-	-	-	-	(3,083.90)	6,188.82
Total investments	11,528.71	693.48	(245.89)	-	134.18	(3,083.90)	9,026.58



Sensitivity analysis

Description	"As at March 31, 2019"	"As at March 31, 2018"	"As at April 1, 2017"
Impact on fair value if change in risk adjusted discount rate			
- Impact due to increase of 5%	(453.23)	(575.63)	(547.69)
- Impact due to decrease of 5%	453.23	575.63	547.69

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

Particulars	Unquoted equity shares / Venture funds
"As at April 1, 2017"	10,953.73
Gain/(loss) recognised in other comprehensive income	(150.04)
"As at March 31, 2018"	10,803.69
Gain/(loss) recognised in other comprehensive income	(1,466.15)
"As at March 31, 2019"	9,337.54

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	"As at March 31, 2019"		"As at March 31, 2018"		"As at April 1, 2017"	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	19.76	19.76	18.66	18.66	33.34	33.34
Bank balances other than above	43.06	43.06	38.00	38.00	110.73	110.73
Loans	42.14	42.14	41.50	41.50	147.70	147.70
Investments	4,712.85	5,281.81	6,692.55	7,221.58	5,953.78	6,170.74
Other financial assets	214.85	214.85	137.69	137.69	42.64	42.64
Total	5,032.66	5,538.79	6,928.41	7,400.77	6,288.20	6,361.08
Financial liabilities						
Trade payables	6.49	6.49	3.99	3.99	160.00	160.00
Borrowings (other than debt securities)	496.10	496.10	2,425.82	2,425.82	1,473.54	1,473.54
Other financial liabilities	871.30	871.30	782.63	782.63	134.78	134.78
Total	1,373.89	1,373.89	3,212.44	3,212.44	1,768.32	1,768.32

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables:

Financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, loans, trade payables, short term borrowings, inter company loan and contract liability without a specific maturity.

Investments measured at amortised cost

Investments which are carried at amortised cost represents investments in debt instruments including non convertible preference shares. The fair values of such investments are determined using rates available in the market.

44 Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, investments in debt securities, loans, trade receivables and other financial assets.	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - Currency risk	The company does not have any financial asset or financial liability in foreign currency. Hence, no exposure of currency risk.	Not applicable	Not applicable
Market risk - interest rate	The company does not have any variable rate borrowings. Hence, no exposure of interest rate risk.	Not applicable	Not applicable
Market risk - security price	Investments in equity securities, venture funds and mutual funds.	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

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

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**Financial assets that expose the entity to credit risk***

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Low credit risk - Stage 1			
Cash and cash equivalents	19.76	18.66	33.34
Bank balances other than above	43.06	38.00	110.73
Loans	(41.04)	(141.04)	(34.63)
Investments	4,712.85	6,692.55	5,953.78
Security deposits	70.89	42.24	25.86
Other financial assets	214.85	95.45	16.78
(ii) Moderate credit risk - Stage 2			
Loans	-	-	-
(iii) High credit risk - Stage 3			
Loans	83.18	182.54	182.33

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

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

Loans

Credit risk related to borrower's are mitigated by considering collateral's/bank guarantees/letter of credit, from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortized cost

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

b) Credit risk exposure**i) Expected credit losses for financial assets other than loans**

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For investments - Considering the investments are in equity shares, mutual funds, and government securities, credit risk is considered low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:



"As at March 31, 2019"	"Estimated gross carrying amount at default"	"Expected credit losses"	Carrying amount net of impairment provision
Cash and cash equivalents	19.76	-	19.76
Bank balances other than above	43.06	-	43.06
Investments	4,712.85	-	4,712.85
Security deposits	70.89	-	70.89
Other financial assets	214.85	-	214.85

"As at March 31, 2018"	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	18.66	-	18.66
Bank balances other than above	38.00	-	38.00
Investments	6,692.55	-	6,692.55
Security deposits	42.24	-	42.24
Other financial assets	95.45	-	95.45

"As at April 1, 2017"	Estimated gross carrying amount at	Expected credit losses	Carrying default amount net of impairment provision
Cash and cash equivalents	33.34	-	33.34
Bank balances other than above	110.73	-	110.73
Investments	5,953.78	-	5,953.78
Security deposits	25.86	-	25.86
Other financial assets	16.78	-	16.78

ii) **Expected credit loss for loans**

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days.

If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.

If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	"As at 31 March 2019"	"As at 31 March 2018"
Gross loans in respect of borrower's where no specific default has occurred	82.09	182.09
Expected loss rate	50%	77%
Loans due from borrowers where specific default has occurred		
Expected credit loss (loss allowance provision)	41.04	141.04



Reconciliation of loss allowance provision from beginning to end of reporting period:		
Reconciliation of loss allowance		Loans
Loss allowance on April 1, 2017		
Loss allowance on assets originated		141.05
Increase of provision due to assets originated or purchased during the year		-
Net transfer between stages		
Loss allowance written back		
Write - offs		-
Loss allowance on March 31, 2018		141.05
Loss allowance on assets originated		41.05
Net transfer between stages		
Loss allowance written back		
Write - offs		-
Loss allowance on March 31, 2019		182.09

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

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

Floating rate	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
- Expiring within one year	2,503.90	74.18	26.46
- Expiring beyond one year	-	-	-
Total	2,503.90	74.18	26.46

(ii) Maturities of financial liabilities

The tables below analyse the Company financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2019	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings other than debt securities including interest	555.53	-	-	-	555.53
Trade payables	9.95	-	-	-	9.95
Other financial liabilities	890.97	-	-	-	890.97
Total	1,456.45	-	-	-	1,456.45

As at March 31, 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total 3 years
Non-derivatives					
Borrowings other than debt securities including interest	2,458.73	-	-	-	2,458.73
Trade payables	3.99	-	-	-	3.99
Other financial liabilities	1,366.73	-	-	-	1,366.73
Total	3,829.45	-	-	-	3,829.45



As at April 1, 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings other than debt securities	1,490.78	-	-	-	1,490.78
Trade payables	160.00	-	-	-	160.00
Other financial liabilities	688.38	-	-	-	688.38
Total	2,339.15	-	-	-	2,339.15

C) Market risk

Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period:

Impact on profit after tax

Particulars	As at March 31, 2019	As at March 31, 2018
Mutual Funds, Equity Instruments and Venture Funds		
Net assets value – increase by 50 basis points (50 bps)	1,132.75	1,237.14
Net assets value – decrease by 50 basis points (50 bps)	(1,132.75)	(1,237.14)
Impact on other comprehensive income		

Particulars	As at March 31, 2019	As at March 31, 2018
Equity instruments		
Value per share – increase by 50 basis points (50 bps)	1,117.41	1,146.92
Value per share – decrease by 50 basis points (50 bps)	(1,117.41)	(1,146.92)

45 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Net debt*	476.34	2,407.15	1,440.32
Net worth	100,548.81	100,209.17	99,626.67
Net debt to equity ratio	0.00	0.02	0.01

* Net debt includes borrowings other than debt securities + interest accrued - cash and cash equivalents.

Dividends

Particulars	As at March 31, 2019	As at March 31, 2018
The Board of directors at their meeting held on 30 May 2019 has proposed a final dividend of ₹ 1.50 per share for financial year 31 March 2019 (previous year: ₹ 1.50 per share) subject to approval of shareholders in annual general meeting.		
(i) Equity shares Final dividend for the year ended March 31, 2019 of ₹ 5 per share (excluding tax)	251.19	251.19

**Financial assets that expose the entity to credit risk***

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 2017
(i) Low credit risk - Stage 1			
Cash and cash equivalents	19.76	18.67	33.33
Bank balances other than above	43.06	38.00	110.73
Loans	(41.05)	(141.05)	(34.63)
Investments	4,638.10	6,628.14	5,760.00
Security deposits	70.89	42.24	25.86
Other financial assets	214.84	95.45	16.79
(ii) Moderate credit risk - Stage 2			
Loans	-	-	-
(iii) High credit risk - Stage 3			
Loans	83.18	182.54	182.33

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

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

Loans

Credit risk related to borrower's are mitigated by considering collateral's/bank guarantees/letter of credit, from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortized cost

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

b)Credit risk exposure

i)Expected credit losses for financial assets other than loans

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For investments - Considering the investments are in equity shares, mutual funds, and government securities, credit risk is considered low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:



46 Interests in Associate

Set out below is the details of Associates of the Group as at 31 March 2019. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Principal activities	% Equity Interest	For the year ended March 31, 2019	For the year ended March 31, 2018
Nahar Spinning Mills Limited	Manufacturing	28.44%	Relationship Associate	Accounting method Equity method
Nahar Poly Films Limited	Manufacturing	49.16%	Associate	Equity method
Nahar Industrial Enterprises Limited	Textiles and sugar	23.44%	Associate	Equity method

Summarised Balance Sheet	Nahar Spinning Mills Limited		
	-March 31, 2019	March 31, 2018	April 1, 2017
Current assets			
Cash and cash equivalents	118.70	178.21	2,611.93
Other assets	106,793.16	119,452.46	87,281.45
Total current assets	106,911.85	119,630.67	89,893.38
Total non-current assets	83,520.81	78,871.93	85,671.23
Current liabilities			
Financial liabilities	85,511.89	99,042.28	61,784.22
Other liabilities	8,145.97	7,840.51	7,370.53
Total current liabilities	93,657.86	106,882.79	69,154.75
Non-current liabilities			
Financial liabilities	6,079.47	7,293.84	16,935.37
Other liabilities	2,999.16	2,470.74	3,847.68
Total non-current liabilities	9,078.63	9,764.58	20,783.05
Net assets	87,696.18	81,855.23	85,626.81

Summarised statement of profit and loss	For the year ended	
	March 31, 2019	March 31, 2018
Revenue	231,785.01	214,218.99
Profit/(loss) for the year	6,277.46	(3,120.47)
Total comprehensive profit/(loss)	6,277.46	(3,120.47)
Reconciliation to carrying amounts		
Opening net assets	81,855.23	85,626.81
Loss for the year	6,277.46	(3,120.47)
Less: Dividend distributed	(180.33)	(540.98)
Less: Dividend distribution tax	(37.07)	(110.13)
Less: Corporate social responsibility expense paid	(279.52)	-
Less: Adjustment of Income Tax earlier Years	60.40	-
Closing net assets	87,696.18	81,855.23
Group's share in %	28.44%	28.44%
Group's share in Indian Rupees	24,940.79	23,279.63

Summarised Balance Sheet	Nahar Poly Films Limited		
	March 31, 2019	March 31, 2018	April 1, 2017
Current assets			
Cash and cash equivalents	100.36	42.28	28.55
Other assets	4,366.81	5,983.88	5,724.56
Total current assets	4,467.17	6,026.16	5,753.11
Total non-current assets	16,134.58	16,217.53	21,453.95



Financial liabilities	756.26	2,847.37	2,758.07
Other liabilities	307.08	116.46	242.30
Total current liabilities	1,063.34	2,963.83	3,000.37
Non-current liabilities			
Financial liabilities	-	-	857.51
Other liabilities	-	-	-
Total non-current liabilities	-	-	857.51
Net assets	19,538.41	19,279.86	23,349.18

	For the year ended March 31, 2019	For the year ended March 31, 2018
Summarised statement of profit and loss		
Revenue	26,810.30	26,332.62
Profit/(loss) for the year	444.89	(3,921.35)
Total comprehensive profit/(loss)	444.89	(3,921.35)
Reconciliation to carrying amounts		
Opening net assets	19,279.86	23,349.18
Loss for the year	444.89	(3,921.35)
Less: Dividend distributed	(122.94)	(122.94)
Less: Dividend distribution tax	(25.27)	(25.03)
Less: Corporate social responsibility expense paid	(38.13)	-
Closing net assets	19,538.41	19,279.86
Group's share in %	49.16%	49.16%
Group's share in Indian Rupees	9,605.08	9,477.98

Nahar Industrial Enterprises Limited

	March 31, 2019	March 31, 2018	April 1, 2017
Summarised Balance Sheet			
Current assets			
Cash and cash equivalents	65.65	72.16	167.75
Other assets	107,587.33	116,249.04	99,207.74
Total current assets	107,652.98	116,321.20	99,375.49
Total non-current assets	70,320.46	74,393.80	74,997.47
Current liabilities			
Financial liabilities	82,003.33	86,644.39	66,656.84
Other liabilities	1,995.50	2,266.65	3,812.52
Total current liabilities	83,998.82	88,911.04	70,469.36
Non-current liabilities			
Financial liabilities	23,032.90	31,002.67	33,697.37
Other liabilities	1,551.68	1,158.58	1,285.40
Total non-current liabilities	24,584.58	32,161.25	34,982.77
Net assets	69,390.03	69,642.71	68,920.83

	For the year ended March 31, 2019	For the year ended March 31, 2018
Summarised statement of profit and loss		
Summarised statement of profit and loss		
Revenue	187,874.61	176,884.95
Profit/(loss) for the year	(2,586.18)	1,206.10
Total comprehensive profit/(loss)	(2,586.18)	1,206.10
Reconciliation to carrying amounts		
Opening net assets	69,642.71	68,920.83
Profit/(loss) for the year	(2,586.18)	1,206.10
Add: Equity component of compound financial instrument	2,429.07	-
Less: Dividend distributed	-	(479.44)
Less: Corporate social responsibility expense paid	(95.52)	(4.78)
Closing net assets	69,390.08	69,642.71
Net assets to be considered for Company's share	66,961.02	69,642.71
Group's share in %	23.44%	23.44%



D Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at March 31, 2018 is as follows:

Particulars	Note	As at March 31, 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		18.66	-	18.66
Bank balances other than above		38.00	-	38.00
Loans		41.50	-	41.50
Investments	Note-1	64,983.69	38,472.98	103,456.67
Others financial assets		137.69	-	137.69
Total financial assets		65,219.54	38,472.98	103,692.52
Non-financial assets				
Inventories	Note-1	622.80	-	622.80
Current tax assets (net)		53.44	-	53.44
Investment Property		1,979.42	-	1,979.42
Property, plant and equipment		5.66	-	5.66
Capital advance		-	-	-
Other non financial assets		3,422.99	-	3,422.99
Total non-financial assets		6,084.31	-	6,084.31
TOTAL ASSETS		71,303.85	38,472.98	109,776.83
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises			-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.99	-	3.99
Borrowings (Other than Debt Securities)		2,425.82	-	2,425.82
Other financial liabilities	Note-2	796.14	(13.50)	782.63
Total financial liabilities		3,225.94	(13.50)	3,212.44
Non-financial liabilities				
Provisions		14.81	-	14.81
Deferred tax liabilities (net)	Note-3	-	6,291.77	6,291.77
Other non-financial liabilities		35.79	12.85	48.64
Total non-financial liabilities		50.60	6,304.62	6,355.22
EQUITY				
Equity share capital		837.31	-	837.31
Other equity		67,190.01	32,181.85	99,371.86
Total equity		68,027.32	32,181.85	100,209.17
TOTAL LIABILITIES AND EQUITY		71,303.85	38,472.97	109,776.82

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.



E Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at April 1, 2017 is as follows:

Particulars	Note	"As at April, 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		33.34	-	33.34
Bank balances other than above		110.73	-	110.73
Loans		147.70	-	147.70
Investments	Note-1	65,557.49	38,328.76	103,886.24
Others financial assets		42.64	-	42.64
Total financial assets		65,891.90	38,328.76	104,220.66
Non-financial assets				
Inventories	Note-1	703.93	-	703.93
Current tax assets (net)		53.65	-	53.65
Investment Property		1,733.16	-	1,733.16
Property, plant and equipment		6.19	-	6.19
Capital advance		-	-	-
Other non financial assets		1,840.52	-	1,840.52
Total non-financial assets		4,337.45	-	4,337.45
TOTAL ASSETS		70,229.35	38,328.76	108,558.10
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises				
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		160.00	-	160.00
Borrowings (Other than Debt Securities)		1,473.54	-	1,473.54
Other financial liabilities	Note-2	149.45	(14.67)	134.78
Total financial liabilities		1,782.99	(14.67)	1,768.32
Non-financial liabilities				
Provisions		1.20	-	1.20
Deferred tax liabilities (net)	Note-3	-	7,079.60	7,079.60
Other non-financial liabilities	Note-2	67.73	14.58	82.31
Total non-financial liabilities		68.93	7,094.18	7,163.11
EQUITY				
Equity share capital		837.31	-	837.31
Other equity		67,540.12	31,249.24	98,789.36
Total equity		68,377.43	31,249.24	99,626.67
TOTAL LIABILITIES AND EQUITY		70,229.35	38,328.75	108,558.10



F Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at April 1, 2017 is as follows:

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Interest income		374.56	(87.59)	286.96
Dividend Income		825.24	(0.00)	825.23
Rental Income	Note-2	126.19	5.21	131.40
Net gain on fair value changes	Note-1	2,450.46	(2,277.36)	173.10
Total Revenue from operations		3,776.45	(2,359.75)	1,416.70
Other Income				
Net gain on fair value changes		-	1,146.60	1,146.60
Net gain on derocgnition of financial instruments under amortised cost category		-	142.37	142.37
Other Income		8.80	-	8.80
Total		3,785.24	(1,070.77)	2,714.47
Expenses				
Finance costs	Note-2	32.91	4.66	37.57
Fees and commission expense		12.32	-	12.32
Impairment on financial instruments		109.42	-	109.42
Employee benefits expense	Note-4	379.61	(13.66)	365.95
Depreciation and amortisation expense		32.25	-	32.25
Other expenses		121.65	-	121.65
Total		688.16	(9.00)	679.16
Share of Profit/(loss) of Associates accounted for using equity method		-	(261.15)	(261.15)
Profit before tax		3,097.09	(1,061.77)	1,774.17
Tax expense:				
(1) Less : Current tax		520.00	66.62	586.62
(2) Less/(Add) : Deferred tax	Note-3	-	(719.80)	(719.80)
Previous year income tax		29.67	-	29.67
Profit after tax for the year from continuing operations		2,547.42	(408.59)	1,877.68
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Changes in fair value of FVOCI equity instruments	Note-2	-	1,220.20	1,220.20
Remeasurements of post-employment benefit obligations	Note-4	-	(13.66)	(13.66)
Income tax relating to these items		-	72.01	72.01
		-	1,278.55	1,278.55
Items that will be reclassified to profit or loss				
Share of Other Comprehensive Income/(loss) of Associates accounted for using equity method		(2,532.56)	-	(2,271.34)
Sub-total		(2,532.56)	-	(2,271.34)
Other comprehensive income		(2,532.56)	1,278.55	(92.79)
Total comprehensive income		14.86	869.96	884.89

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.



47 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Designation of previously recognised financial instruments

Ind AS 101 permits a first-time adopter to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

3 Deemed cost for investments in Associates

Ind AS 101 permits a first-time adopter to continue previous GAAP carrying value for investment in equity instrument of subsidiaries. Accordingly, the Company has elected to apply the said exemption.

B Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Investment in equity instruments carried at FVOCI

b) Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

3 De-recognition of financial assets

The Company have applied de-recognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

C Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.



1 Reconciliation of total equity as at March 31, 2018

Description	Notes to First time adoption	March 31, 2018	April 1, 2017
Total equity (shareholder's funds) as per Previous GAAP		55,683.88	53,131.12
Adjustments:		-	-
Measurement of financial liabilities measure at amortised cost	Note – 1	0.64	0.09
Measurement of investments at fair value	Note – 2	20,681.41	20,537.19
Capital reserve on acquisition of shares of associates	Note – 6	14,815.85	14,815.85
Share of change in undistributed reserves of associates due to Ind AS	Note – 5	2,975.72	2,975.72
Deferred tax impact on share of undistributed reserves of associates	Note – 3	(6,135.28)	(6,726.51)
Income tax effect of Ind AS adjustments	Note – 3	(156.49)	(353.09)
Total adjustments		32,181.85	31,249.24
Total equity as per Ind AS		100,209.17	99,626.67

2 Reconciliation of total comprehensive income for the year ended March 31, 2018

Description	Notes to First time adoption	March 31, 2018
Profit after tax as per Previous GAAP		14.86
Adjustments:		
Measurement of financial liabilities measure at amortised cost	Note – 1	0.55
Measurement of investments at fair value	Note – 2	(1,075.98)
Share of change in undistributed reserves of associates due to Ind AS	Note – 5	2,271.34
Deferred tax impact on share of undistributed reserves of associates	Note – 3	591.23
Remeasurement of defined benefit obligations	Note – 4	13.72
Total adjustments		1,800.86
Profit after tax as per Ind AS		1,815.73
Income tax effect of above adjustments	Note – 3	124.59
Profit as per Ind AS for the year ended March 31, 2018		1,940.32
Remeasurement of defined benefit obligations	Note – 4	(13.66)
Equity instruments through other comprehensive income	Note – 2	1,220.20
Income tax relating to these items	Note – 3	72.01
Total comprehensive income as per Ind AS for the year ended March 31, 2018		3,218.87

3 Impact of Ind AS adoption on the Statement of cash flows for the year ended March 31, 2018

Description	Per Previous GAAP	Ind AS adjustments*	Per Ind AS
Net cash flow from operating activities	(2,484.30)	155.29	(2,329.00)
Net cash flow from investing activities	2,700.50	(46.16)	2,654.34
Net cash flow from financing activities	(302.33)	(37.69)	(340.02)
Net increase in cash and cash equivalents	(86.13)	71.45	(14.68)
Cash and cash equivalents as at April 1, 2017	142.76	(109.43)	33.34
Cash and cash equivalents as at March 31, 2018	56.64	(37.98)	18.66
Reconciliation of cash and cash equivalent as per the cash flow statement*	(0.00)	0.00	0.00

The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

*Reclassification of interest accrued on fixed deposits to Cash and cash equivalents.



48. Disclosure of details as required by Para 13 of systemically Important Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Particulars	Amt Outstanding 31-Mar-19	Amt Overdue 31-Mar-19	Amt Outstanding 31-Mar-18	Amt Overdue 31-Mar-18
1. Loans and advances availed by NBFC	0.00	0.00	0.00	0.00
Inclusive of Interest accrued thereon but not paid				
a. Debentures (Other than falling with				
in the meaning of public deposits)				
(i) Secured	0.00	0.00	0.00	0.00
(ii) Unsecured	0.00	0.00	0.00	0.00
b. Deferred Credits	0.00	0.00	0.00	0.00
c. Term Loans	0.00	0.00	0.00	0.00
d. Inter-Corporate Loans & Borrowings	0.00	0.00	0.00	0.00
e. Commercial Paper	0.00	0.00	0.00	0.00
f. Other Loans (Over Draft Account)	0.00	0.00	0.00	0.00
2. Break up of Loans & Advances including bills receivable other than those including in (3) below				
a. Secured	82.09	0.00	82.09	0.00
b. Unsecured	0.00	0.00	0.00	0.00
3. Break up of Leased Assets and Stock in hire and other assets counting As at			As at	
towards AFC activities		31.03.2019		31.03.2018
Lease Assets including lease rentals under				
Sundry Debtors				
a. Financial Lease		0.00		0.00
b. Operating Lease		0.00		0.00
4. Break up of Investments				
a. Current Investments				
1. Quoted Investments				
a. Shares				
i) Equity Shares		0.00		0.00
ii) Preference Shares		0.00		0.00
b. Debentures & Bonds		0.00		0.00
c. Units of Mutual Funds		0.00		0.00
d. Government Securities		0.00		0.00
e. Others (Please specify)		0.00		0.00
2. Unquoted Investments				
a. Shares				
i) Equity Shares		0.00		0.00
ii) Preference Shares		0.00		0.00
b. Debentures & Bonds		0.00		0.00
c. Units of Mutual Funds		0.00		0.00
d. Government Securities		0.00		0.00
e. Others (Please specify)		0.00		0.00
b. Long Term/Trading Investments				
1. Quoted				
-Equity Shares		33499.53		33993.50
-Preference Shares		266.61		754.08
-Debentures & Bonds		3508.38		4699.64
-Units of Mutual Funds/Venture Funds/AIF		18703.21		21437.34
-Government Securities		154.19		154.19
Total		<u>56131.92</u>		<u>61038.75</u>
2. Unquoted				
-Equity Shares		9306.92		9306.56
-Preference Shares		1500.00		1500.00
-Debentures & Bonds		92.08		169.41
-Units of Mutual Funds/Venture Funds/AIF		1632.96		1306.94
Total		<u>12531.96</u>		<u>12282.91</u>
Grand Total		<u>68663.88</u>		<u>73321.66</u>



5. Borrower group-wise classification of assets financed as in (2) and (3) above

Particulars	Amount Net of Provisions					
	Secured		Unsecured		Total	
	31.03.19	31.03.18	31.03.19	31.03.18	31.3.19	31.3.18
1) Related Parties						
a) Subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00
b) Companies in the Same Group	0.00	0.00	0.00	0.00	0.00	0.00
c) Other related parties	0.00	0.00	0.00	0.00	0.00	0.00
2) Other than related Parties	82.09	82.09	0.00	0.00	82.09	82.09
Total	82.09	82.09	0.00	0.00	82.09	82.09

6. Investor group wise classification of all investments (current & long term) in shares & securities both quoted and unquoted excluding Stock-in-Trade

Particulars	Market Value or Fair Value of NAV		Book Value (Net of Provisions)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	1) Related Parties			
a) Subsidiaries	0.00	0.00	0.00	0.00
b) Companies in the Same Group	34016.66	35768.60	19382.06	19382.07
c) Other related parties	0.00	0.00	0.00	0.00
2) Other than related Parties	34647.22	37553.06	26720.00	30468.89
Total	68663.88	73321.66	46102.06	49850.96

7. Other Information

Particulars	Amount as on	Amount as on
	31.03.2019	31.03.2018
a) Gross Non Performing Assets		
1) Related Parties	0.00	0.00
2) Other than related Parties	0.00	0.00
b) Net Non Performing Assets		
1) Related Parties	0.00	0.00
2) Other than related Parties	0.00	41.04
c) Assets acquired in satisfaction of debt	0.00	0.00

49. Disclosure of details as required by Para 5 of Reserve Bank of India Circular No. RBI 2008-09/116 DNBS (PD)

CC.No.125/03.05.002/2008-09

I. Capital to Risk Asset Ratio ("CRAR") Items	31.03.2019	31.03.2018
i) CRAR (%)	95.48	92.66
ii) CRAR - Tier I Capital (%)	95.48	92.66
iii) CRAR - Tier II Capital (%)	0.00	0.00
II. Exposure to Real Estate Category		
a) Direct Exposure		
i) Residential Mortgage	0.00	0.00
ii) Commercial Real Estate	0.00	0.00
iii) Investments in Mortgage Backed securities (MBS) and other securitised exposures (Investments in Equity and Debentures through Religare Credit Opportunities Fund-I, IIFL Real Estate Fund (Domestic Series 1) , IDFC Real Estate Yield Fund, Reliance Yield Maximiser AIF-I, ICICI Prudential Real Estate AIF-I, ICICI Prudential Real Estate AIF-II, Asha Fund (Arthveda Low Income Housing Fund), IDFC Score Fund, Ask Real Estate Special Situations Fund, India Bulls Dual Advantage Commercial Asset Fund and ICICI Prudential Office Yield Optimizer Fund	0.00	0.00
a) Residential	919.84	791.62
b) Commercial Real Estate	256.75	196.00
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	2054.91	501.37



	1 day to 30/31 days	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 month	Over 6 month to 1 Year	Over 1 year to 3 Year	Over 3 year to 5 Year	Over 5 years	Total
Liabilities									
Borrowings from Banks	0.00	496.10	0.00	0.00	0.00	0.00	0.00	0.00	496.10
Market Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets									
Advance	0.00	0.00	0.00	0.00	0.00	82.09	0.00	0.00	82.09
Investments	1928.99	1754.84	1381.08	3792.84	2006.94	10988.37	1826.53	44984.29	68663.88

Note 50 - Disclosure pursuant to IndAS 101 "First time adoption of Ind AS"

Notes forming part of Financial Statements for the year ending 31 March 2019
(All amounts in lakhs rupees, unless otherwise stated)

Notes to First time adoption

Explanation of major impact on adoption on Ind AS on the reported standalone financial statements of the Company as on the date of transition is as under:

1. Security deposit received

Under previous GAAP, security deposits were initially recognized at transaction price. Subsequently, finance costs was recognized based on contractual terms, if any. Under Ind AS, such security deposits other than perpetual are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of liability.

2. Financial instruments carried at fair value through profit and loss or through other comprehensive income

"Under previous GAAP, investments in long-term equity instrument were carried at cost and tested for other than temporary diminution. Under Ind AS, such investments are carried either at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI) (except for investment in subsidiaries/associates/joint ventures). Under previous GAAP, investments in mutual funds, alternate investment funds and venture funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit and loss (FVTPL)."

3. Tax impact on adjustments

Under previous GAAP, deferred tax accounting was done using the income statement approach. However, Ind AS requires the accounting of deferred taxes using the balance sheet approach, which includes identification of temporary differences based on the difference in carrying amount of an asset/ liability in the standalone balance sheet and its tax base. These differences have been suitably recognized in the standalone financial statements.

4. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.



Form AOC-I

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amount in Rs.)

1	Sl. No.	Not Applicable as the Company is not having any Subsidiary Company
2	Name of Subsidiary	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries	
5	Share Capital	
6	Reserves & Surplus	
7	Total Assets	
8	Total Liabilities	
9	Investments	
10	Turnover	
11	Profit before taxation	
12	Provision for taxation	
13	Profit after taxation	
14	Proposed Dividend	
15	% of Shareholding	

Part "B" : Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates/Joint Ventures	Nahar Spinning Mills Limited	Nahar Poly Films Limited	Nahar Industrial Enterprises Limited
1	Latest Audited Balance Sheet Date	31.03.2019	31.03.2019	31.03.2019
2	Shares of Associate/Joint Ventures held by the Company on the Year End No. of Shares	10257384	12087671	9336745
	Amount of Investment in Associates/Joint Venture (Rs. In Lakhs)	6087.15	2886.85	9973.89
	Extend of Holding %	28.44%	49.16%	23.44%
3	Description of how there is significant influence	More than 20% Shareholding held by the Company		
4	Reason why the associate/joint venture is not consolidated	Not Applicable		
5	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In Lakhs)	87696.18	19538.41	69390.03
6	Profit/Loss for the year (After)			
	i. Considered in Consolidation	1785.38	218.71	-606.20
	ii. Not Considered in Consolidation (Rs. in Lakhs)	4492.08	226.18	-1979.98

As per our Report of even date annexed

For YAPL & COMPANY

Chartered Accountants
FRN 017800N

FOR AND ON BEHALF OF THE BOARD

NEHA KANSAL

Partner

M.No. 540386

Place : LUDHIANA

Date : 30.05.2019

ANJALI MODGIL

Company Secretary

HANS RAJ KAPOOR

Chief Financial Officer

DINESH OSWAL

Managing Director
(DIN-00607290)

JAWAHAR LAL OSWAL

Chairman
(DIN-00463866)

NAHAR CAPITAL AND FINANCIAL SERVICES LTD.

Registered Office: 375, INDUSTRIAL AREA - A, LUDHIANA - 141003

CIN: L45202PB2006PLC029968

E-mail: secncfs@owmnahar.com, Website: www.owmnahar.com

BALLOT FORM

Sr. No. _____

Name and Registered Address of the Sole/ First named Member :

Names of the Joint Member(s), if any :

Registered Folio No. / DP ID No. / Client ID No. :

No. of equity shares held :

I/We hereby exercise my/our vote(s) in respect of the following Resolutions as set out in the Notice dated August 13, 2019 of the Company by conveying my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark (✓) at the appropriate box below:

Resolution No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	TO ADOPT FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019 - STANDALONE AS WELL AS CONSOLIDATED.			
2	TO DECLARE DIVIDEND ON EQUITY SHARE CAPITAL FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019.			
3	TO APPOINT MR. DINESH GOGNA AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION.			
4	TO APPOINT MR. SATISH KUMAR SHARMA AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION.			
5	TO APPROVE PAYMENT OF MINIMUM REMUNERATION TO MR. DINESH OSWAL, MANAGING DIRECTOR IN CASE OF NO PROFITS OR INADEQUACY OF PROFITS.			

Place:

Date:

Signature of the Member

or

Authorized Representative

Notes :

- (i) For the Resolutions, Explanatory Statements and notes, please refer to the Notice of 14th Annual General Meeting.
- (i) If you casted your vote by e-voting, there is no need to fill up and sign this form.
- (ii) Please read the instructions printed overleaf carefully before exercising your vote.

Cut here



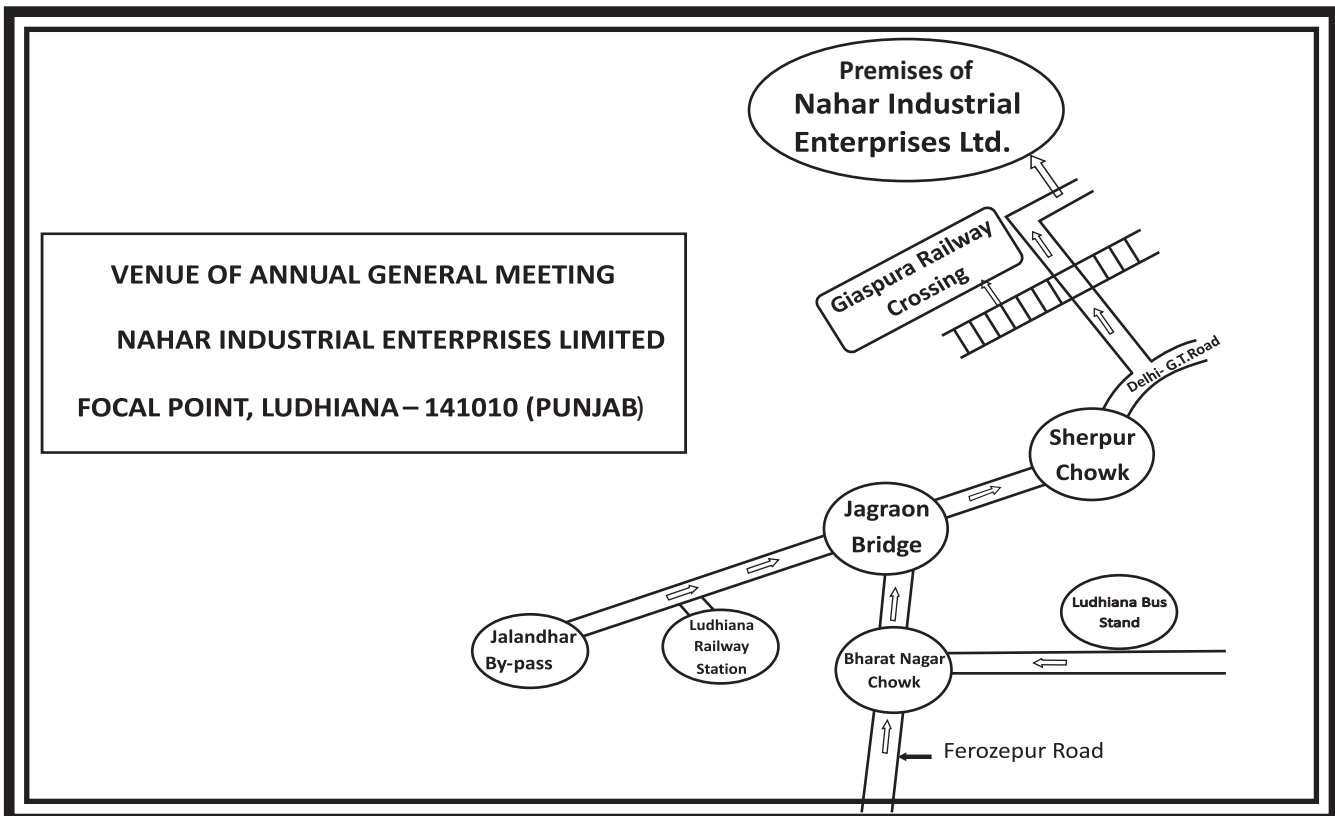
INSTRUCTIONS

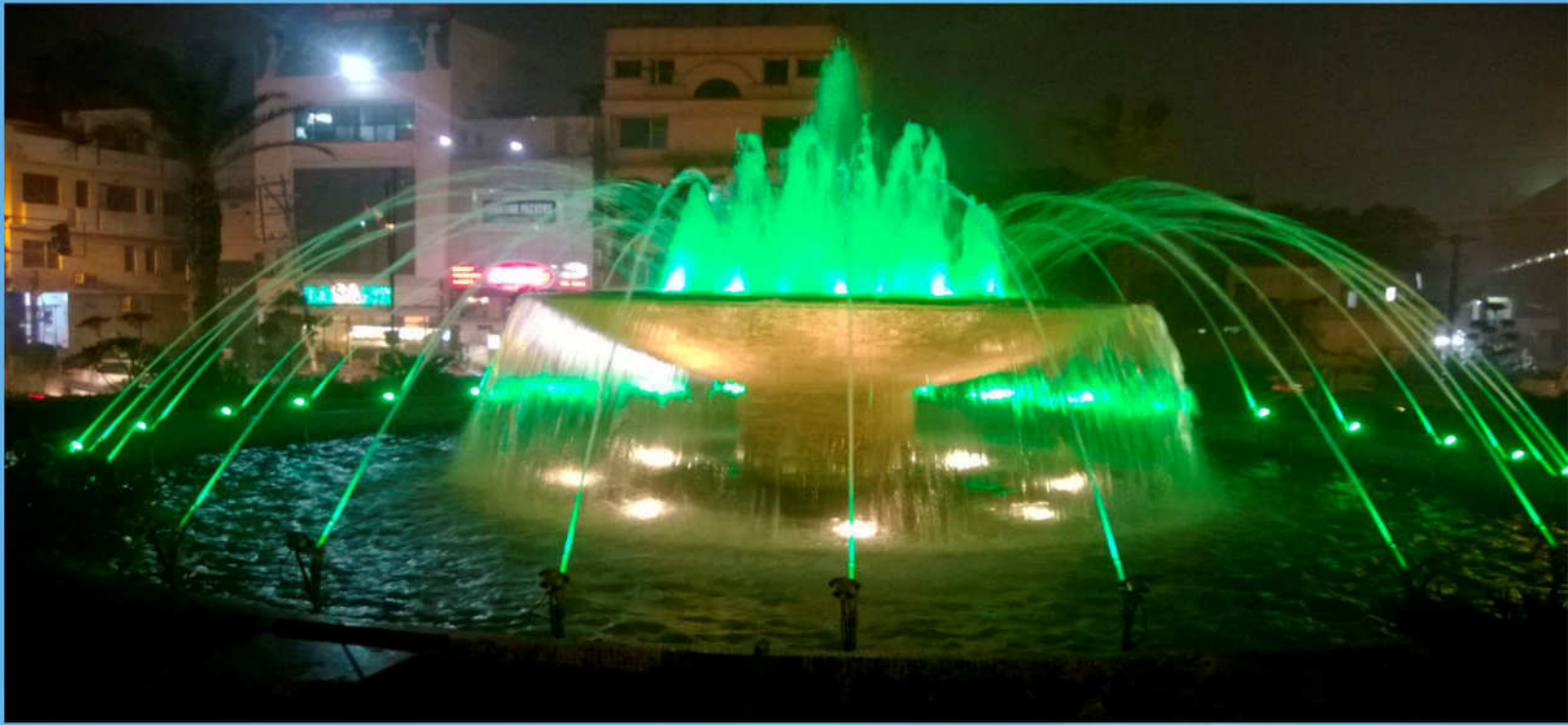
1. General Instructions:

- There will be one Ballot Form/e-voting for every Client ID No./Folio No., irrespective of the number of joint holders.
- Members have option to vote either through remote e-voting or through Ballot Form at the AGM. If a member has casted vote via remote e-voting, then vote cast by him/her via ballot form at the AGM shall be considered as invalid.
- Voting in the e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below under instruction no. 2(b).
- Any query in relation to the Resolutions proposed to be passed at the ensuing AGM may be addressed to Company Secretary, at the Registered Office of the Company.
- The Scrutinizer's decision on the validity of a Ballot/E-voting shall be final and binding.

2. Instructions for voting physically by Ballot Form:

- This Form must be completed and signed by the Member who is desirous of exercising his/her vote at the 14th Annual General Meeting, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on cut off date i.e. 23rd September, 2019.
- The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- Incomplete, unsigned or incorrectly ticked Ballot Forms will be rejected.
- The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favor or against, if any, forthwith to the Chairman of the Company.
- The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.owmnahar.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.





*Glimpse of CSR Project
under taken by
Oswal Foundation*

Regd. Post / Courier
(Printed Matter)

Nahar Capital and Financial Services Ltd.

If undelivered, please return to :

Nahar Capital and Financial Services Ltd.

375, Industrial Area-'A', Ludhaina-141 003

**NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED**

CIN: L45202PB2006PLC029968

Regd. Office: 375, Industrial Area – A, Ludhiana – 141003

Phone No.: 0161-5205700, Fax No.: 0161-2222942

E-mail: secncfs@owmnahar.com; Website: www.owmnahar.com**ATTENDANCE SLIP
E-VOTING PARTICULARS****14TH ANNUAL GENERAL MEETING**

2019

I/we hereby record my/our presence at the **14th Annual General Meeting of the Company, to be held on Monday, the 30th day of September, 2019 at 12.00 Noon at the premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana-141010 (Punjab).**

DP ID		Folio No.	
Client ID		No. of Shares Held	
Member's/Proxy's Name in Block Letters		Member's/Proxy's Signature	

Notes: 1.Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting venue.
2.Please read instructions given at Note No. 26 of the Notice of 14th Annual General Meeting, carefully to create your password and to vote electronically.

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	User ID/Folio No./DP / Client ID	Sequence No.

**NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED**

CIN: L45202PB2006PLC029968

Regd. Office: 375, Industrial Area – A, Ludhiana – 141003

Phone No.: 0161-5205700, Fax No.: 0161-2222942

E-mail: secncfs@owmnahar.com Website: www.owmnahar.com**PROXY FORM (Form No. MGT-11)**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

Name of the Member(s)			
Registered Address			
Email ID			
Folio No./Client ID		DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the Company, to be held on Monday, the 30th day of September, 2019 at 12.00 Noon at the Premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.	Resolution	'Optional'	
		For	Against
	Ordinary Business :		
1	To adopt Financial Statements for the financial year ended 31st March, 2019 -Standalone as well as Consolidated		
2	To declare dividend on Equity Share Capital for the financial year ended 31st March, 2019.		
3	To appoint Mr. Dinesh Gogna as a Non-Executive Director liable to retire by rotation		
4	To appoint Mr. Satish Kumar Sharma as a Non-Executive Director liable to retire by rotation		
	Special Business :		
5	To approve the payment of minimum remuneration to Mr.Dinesh Oswal, Managing Director in case of no profits or inadequacy of profits.		

Signed this ____ day of _____, 2019 Signature of Shareholder/Proxy holder(s): _____

Note: 1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

2. For the Resolutions and Notes, please refer to the Notice of the 14th Annual General Meeting.

3. *It is optional to put a (✓) in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) before submission.

Affix Revenue Stamp
of Re. 1/-