



The Nahar Group

15th Annual Report 2019-20



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. Amrik Singh Sohi
Dr. Vijay Asdhir

Chairman
Managing Director
Director
Director
Director
Independent Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Hans Raj Kapoor

REGISTERED OFFICE

BANKERS

AUDITORS

COMPANY SECRETARY

Mrs. Anjali Modgil

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

ICICI Bank Limited
HDFC Bank Limited

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

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 15TH ANNUAL GENERAL MEETING (AGM) of the members of **NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED** ('the Company') will be held on **Tuesday, the 29th day of September, 2020 at 02.00 p.m.** through Video Conferencing / Other Audio Visual Means to transact the following businesses:

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, 2020 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, 2020 and the Reports of the Auditors thereon.

ITEM NO. 2- DECLARATION OF DIVIDEND

To declare dividend @10% i.e. Rs. 0.50 per equity share of Rs. 5/- each for the year ended 31st March, 2020.

ITEM NO:3-APPOINTMENT OF MR. JAWAHAR LAL OSWAL AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a Director in place of Mr. Jawahar Lal Oswal (DIN: 00463866), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO : 4 - APPOINTMENT OF MR. KAMAL OSWAL AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Kamal Oswal (DIN: 00493213), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**ITEM NO. 5 - TO APPOINT DR. ROSHAN LAL BEHL (DIN: 06443747) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 164 read with Schedule IV and any other applicable provisions of the Companies

Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee, Dr. Roshan Lal Behl (DIN: 06443747) who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Independent Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for 5 (five) consecutive years for a term up to September 29, 2025".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts 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****(COMPANY SECRETARY)****FCS - 9650****DATE: 12TH AUGUST, 2020****Regd. Office:****375, Industrial Area-A,
Ludhiana-141003****CIN: L45202PB2006PLC029968****E-mail: secncfs@owmnaahar.com****NOTES:**

1. In view of the situation arising due to COVID-19 global pandemic, social distancing is a norm to be followed. Accordingly, the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P /2020/79 allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of members at a common venue. Thus, in compliance with the said Circulars, the 15th Annual General Meeting (AGM) of the Company will be held through video conferencing (VC) or other audio visual



- means (OAVM). Hence, members can attend and participate in the AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 25.
2. 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.
 3. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, 2013, body corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
 4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, the Notice calling the AGM alongwith Annual Report for the year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.ownahar.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 6. The Register of Members and Share Transfer Register of the Company shall remain closed from 19th September, 2020 to 21st September, 2020 (both days inclusive) for the purpose of equity dividend for the year ended 31st March, 2020.
 7. 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 subject to deduction of tax at source, whose names shall appear in Register of Members as on 18th September, 2020 or Register of Beneficial Owners, maintained by the Depositories at the close of 18th September, 2020.
 8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 9. In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Jawahar Lal Oswal and Mr. Kamal Oswal, 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.
 10. The relevant information under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Directors who are proposed to be appointed/re-appointed, is given hereto and form part of the Notice.
 11. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividend upto the financial year 2011-12 has been transferred to Investor Education and Protection Fund. Further, unpaid dividend for the year 2012-13 is to be transferred to the Investor Education and Protection Fund in November, 2020. Shareholders who have not encashed their dividend warrants relating to said period are requested to claim the amount from the Company at the earliest.



12. 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.
13. 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/IEPF/refund.html> or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority.
14. As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. 1st April, 2019 except in case of request received for transmission or transposition of securities.
In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent: M/s. Alankit Assignments Limited for assistance in this regard.
15. 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.
16. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent: M/s. Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
19. 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 and 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 House, 4E/2, Jhandewalan Extension, New Delhi-110055.
20. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection in electronic mode during the AGM. All other documents referred to in the Notice will also be available for



inspection in electronic mode without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. September 29, 2020. Members seeking to inspect such documents can send an email to secncfs@owmnahar.com.

21. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

22. The members who have voted through remote e-voting will be eligible to attend the AGM but they will not be eligible to vote at the AGM.

23. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED:

1. For Physical Shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secncfs@owmnahar.com.

2. For Demat Shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN Card), AADHAR (self-attested scanned copy of Aadhar Card) to secncfs@owmnahar.com.

3. The company shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

24. Instructions for shareholders voting through electronic mode are as under:

(i) The voting period begins on 26th September, 2020 (9:00 a.m.) and ends on 28th September, 2020

(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 22nd September, 2020, 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.

OR

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

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. <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. 200831055 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". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote voting on your mobile.**
- (xx) **Note for Non-Individual Shareholders and Custodian**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - 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 linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at bathla7@gmail.com and to the Company at secncfs@owmnahar.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22nd September, 2020 may follow the same instructions as mentioned above for e-Voting.
- (xxii) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder



(022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-2305842).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

(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
0161-2665000
gredressalncfsl@owmnahar.com

25. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secncfs@owmnahar.com. The shareholders

who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secncfs@owmnahar.com. These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

26. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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. The Company has appointed Mr. P.S. Bathla, Practising Company Secretary (Membership No. FCS 4391), to act as the Scrutinizer to the e-voting process i.e. votes cast during the AGM and votes cast through remote e-voting, in a fair and transparent manner.
29. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM.
30. The results declared along with the 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 15th Annual General Meeting i.e. 29th September, 2020.
32. A person who is not a Member as on the cut off date i.e. 22nd September, 2020 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

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointment of an Independent Director requires approval of Members. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Dr. Roshan Lal Behl (DIN: 06443747) for the office of the Independent Director of the Company.

The Nomination and Remuneration Committee after verifying the profile and suitability of Dr. Roshan Lal Behl, has recommended to the Board his appointment. Accordingly, the Board having regard to skills, experience and knowledge of Dr. Roshan Lal Behl, in its Meeting held on 12th August, 2020 has proposed the appointment of Dr. Roshan Lal Behl as an Independent Director on the Board of the Company for a term of five consecutive years commencing from this Annual General Meeting upto September 29, 2025.

Dr. Roshan Lal Behl is 63 years of age. He is M.Com, MBA (Financial Management) and Ph.D (Corporate Disclosure Practices of Indian Companies). He is having more than 39 years of experience in Teaching. He retired as Principal from Sri Aurobindo College of Commerce and Management, Ludhiana in November, 2019. He has also served as Director of Ludhiana Stock Exchange from 2012 to 2014. Having regard to his vast knowledge and expertise, it will be in the interest of the Company to appoint him

as an Independent Director.

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

In the opinion of the Board, Dr. Roshan Lal Behl fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is independent of the Management and possesses appropriate skills, experience and knowledge. Copy of the draft letter for his appointment as an Independent Director is available for electronic inspection without any fee by the members and is also available on Company's website www.owmnahar.com.

Dr. Roshan Lal Behl does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

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

Brief resume of the Dr. Roshan Lal Behl, nature of his expertise in specific functional area and names of the Companies in which he holds the directorship/ membership/ chairmanship of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided at the end of the this Notice.

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

Information pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment/re-appointment:

As required under Regulation 26(4) and 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. Jawahar Lal Oswal
Age	76 Years
Qualification	Graduate
Expertise	Having more than 56 years of experience in Textile and Woollen Industry

Listed Companies (other than Nahar Capital and Financial Services Limited) in which Mr. Jawahar Lal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2020:

Directorship of Board:

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

Chairmanship of Board Committees: NIL

Membership of Board Committees: NIL

Shareholding in the Company: 1000 Equity Shares
Disclosure of relationship between Directors inter-se: Mr. Jawahar Lal Oswal is father of Mr. Kamal Oswal and Mr. Dinesh Oswal. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers.

2. Name	Mr. Kamal Oswal
Age	58 Years
Qualification	B.Com.
Expertise	Having more than 36 years of experience in Textile and Woollen Industry

Listed Companies (other than Nahar Capital and Financial Services Limited) in which Mr. Kamal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2020:

Directorship of Board:

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Spinning Mills Limited	Director
2	Nahar Poly Films Limited	Director
3	Nahar Industrial Enterprises Limited	Vice Chairman cum Managing Director

Chairmanship of Board Committees: NIL

Membership of Board Committees:

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

Shareholding in the Company: 259 Equity Shares
Disclosure of relationship between Directors inter-se: Mr. Kamal Oswal is son of Mr. Jawahar Lal Oswal and brother of Mr. Dinesh Oswal.

3. Name	Dr. Roshan Lal Behl
Age	63 Years
Qualification	M.Com, MBA (Financial Management) and Ph.D (Corporate Disclosure Practices of Indian Companies)
Expertise	Having more than 39 years of experience in Teaching.

Listed Companies (other than Nahar Capital and Financial Services Limited) in which Dr. Roshan Lal Behl holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2020:

Directorship of Board: NIL

Chairmanship of Board Committees: NIL

Membership of Board Committees: NIL

Shareholding in the Company: NIL

Disclosure of relationship between Directors inter-se: NIL

BY ORDER OF THE BOARD

DATE: 12TH AUGUST, 2020

Regd. Office:

375, Industrial Area-A,

Ludhiana-141003

CIN: L45202PB2006PLC029968

E-mail: secncfs@owmnaahar.com

ANJALI MODGIL

(COMPANY SECRETARY)

FCS - 9650



DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the **FIFTEENTH ANNUAL REPORT** on the affairs of the Company for the financial year ended 31st March, 2020.

FINANCIAL PERFORMANCE

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

(Rs. in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	Current Year	Previous Year	Current Year	Previous Year
Total Income	2059.84	2516.77	1837.26	2405.05
Less: Total Expenses	740.45	1022.70	740.45	1022.71
Profit before Tax	1319.39	1494.07	1096.81	1382.34
Less: Tax (including deferred tax charge /credit)	(143.38)	313.92	(11.90)	572.99
Share of Profit/(loss) from Associates	---	---	(739.19)	1689.43
Net Profit from continuing operations	1462.77	1180.15	369.52	2498.78
Other Comprehensive Income/(loss)	(13196.73)	(1374.10)	(15741.78)	(1770.30)
Profit/(Loss) for the period	(11733.96)	(193.95)	(15372.26)	728.48

IMPACT OF COVID-19 PANDEMIC

As you are aware that the outbreak of COVID-19 pandemic globally and in India has caused huge disturbance and slowdown of economic activities. The COVID-19 pandemic followed by the nationwide lockdown announced by the Government of India has significantly impacted businesses around the globe and also resulted in a sudden fall in the valuation of securities traded in stock markets. However, Stock Exchanges and other Financial Markets remain operational and in compliance with the lockdown instructions issued by the Centre and State Governments, the company has adjusted its investment activity in digital mode as permitted by Financial Institutions. Company is mainly doing Investment business with long term perspective and hence temporary volatility in the financial markets will have little impact. However, the Company's lease business is slightly affected due to COVID-19. Company has given discount to some lessees' and also there are delays in receipt of lease rentals for which company is taking appropriate actions.

Pursuant to the relaxed guidelines, the stock markets Globally including India have recovered substantially. The company has evaluated the

possible effects that may result from the COVID-19 pandemic on the company's operations, capital and financial resources, profitability, liquidity, ability to service debt and other financial arrangements, assets. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Your management is hopeful to sustain normal growth without any significant capex.

The future impact of the COVID-19 on the company's business is still uncertain as several countries and many parts of India are under varying phases of lockdown and impacting the global economic activities.

INDIAN ACCOUNTING STANDARD

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.

FINANCIAL PERFORMANCE REVIEW AND STATE OF AFFAIRS

We would like to inform you that as per Ind-AS 108 'Operating Segments', Company's activities can be classified under two segments namely; Investment/Financial Activities and Real Estate Segment. 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, 2020.

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, which is mainly known to Business Associates and Group Companies. 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. 1625.79 Lakhs and earned a Profit (before tax and finance cost) of Rs. 1325.85 Lakhs from investment/financial activities.

REAL ESTATE SEGMENT

We would like to inform you that the real estate segment achieved net revenue of Rs. 434.05 Lakhs and earned a Profit (before tax and interest cost) of 342.76 Lakhs during the year under review.

OVERALL PERFORMANCE

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

The Company performed reasonably during the year under review. High volatility in equity markets in FY 2019-20 due to COVID-19 pandemic outbreak, liquidity crisis, macroeconomic policies, declining interest rates and lower global growth has affected the Company's profitability during the year under review. Nevertheless, Company is investing with long term prospective and the effects on current year profitability are due to temporary conditions only. Hence, company is quite hopeful that the effect of COVID 19 pandemic will be over soon and your Company's profitability will be much better due to management's balanced approach to portfolio management and its continuous review has enabled it to get early warning signals and implement its corrective measures from time to time.

On Standalone basis, the Company earned operating/other income of Rs. 2059.84 Lakhs in the current year as against Rs. 2516.77 Lakhs in the previous year. It earned a profit before tax of Rs. 1319.39 Lakhs as against Rs. 1494.07 Lakhs in the previous year. After providing for tax expenses of Rs. (143.38) Lakhs (including deferred tax charge /(credit)), it earned a net profit of Rs. 1462.77 Lakhs for the year ended 31.03.2020 as compared to Rs. 1180.15 Lakhs in the previous year ended 31.03.2019. The Company's Reserve (Other equity)

stands to Rs. 627.01 Crores as on 31st March, 2020.

CONSOLIDATED FINANCIAL PERFORMANCE

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, 2020 in respect of its Associate Companies namely; M/s. Nahar Spinning Mills Ltd. and M/s. Nahar Poly Films Ltd. In September 2019, Company has transferred/sold the entire holding of the Associate Company, Nahar Industrial Enterprises Limited at market rate. Hence, Nahar Industrial Enterprises Limited is ceased to be Company's Associate.

On Consolidated basis, the Company earned operating/other income of Rs. 1837.26 Lakhs during the year under review as against Rs. 2405.05 Lakhs in the previous year. It earned a profit (including profit/(loss) of associates) before tax of Rs. 357.63 Lakhs as against Rs. 3071.77 Lakhs in the previous year. After providing for tax expenses of Rs. (11.90) Lakhs (including deferred tax charge/(credit)), it earned a net profit of Rs. 369.53 Lakhs for the year ended 31.03.2020 as against Rs. 2498.78 Lakhs in the previous year ended 31.03.2019.

DIVIDEND

The Board, in its meeting held on 26th June, 2020 has recommended a dividend @ 10% (i.e. Rs.0.50/- per equity shares of Rs.5/- each) on paid up share capital for the year ended 31st March, 2020. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting to be held on 29th September, 2020. The total dividend declared for the current year is Rs. 83.73 Lakhs.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of reserves of the Company for the year under reference to all those shareholders whose names shall appear in the Register of Members on 18th September, 2020 or Register of Beneficial Owners, maintained by the Depositories as at the close of 18th September, 2020.

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 remain 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. 4,20,495/- (Rupees Four Lakhs Twenty Thousand Four Hundred and Ninety Five only) being the amount of unclaimed dividend for the year 2011-12 to the Investor Education and Protection Fund in November, 2019. Further, unpaid dividend for the year 2012-13 shall be transferred to Investor Education and Protection Fund pursuant to Section 124 of the Companies Act, 2013 in November, 2020. 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 20,106 (Twenty Thousand One Hundred Six) 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.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.

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/IEPF/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

• Inductions / Retirement of Directors

The second term of appointment of Prof. Kanwar Sain Maini (DIN 00454686), as Independent Director of the Company will complete w.e.f. September 25, 2020. The Board places on record its appreciation for the valuable services rendered by Prof. Kanwar Sain Maini during his tenure as an Independent Director of the Company.

Accordingly, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Roshan Lal Behl (DIN: 06443747) as Independent Director of the Company. The Nomination and Remuneration Committee after verifying his profile and suitability has recommended his appointment to the Board. Accordingly, the Board having regard to their skills, experience and knowledge, has proposed the appointment of Dr. Roshan Lal Behl (DIN: 06443747) as Independent Director of the Company to hold office for five consecutive years for a term i.e. upto 29th September, 2025. The necessary resolution for his appointment has been proposed in the accompanying Notice for your approval.

• Re-appointment of Director

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. Jawahar Lal Oswal (DIN: 00463866) and Mr. Kamal Oswal (DIN: 00493213), Non-executive Directors of the Company, 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 2020 was discussed by the Nomination and Remuneration Committee at the Meeting held on 25th June, 2020 and the Board at its Meeting held on 26th June, 2020.

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.owmnaahar.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 and 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 3 rd February, 2015 approved the Policy for Appointment and Remuneration of Directors, Key Managerial Personnel and other employees as recommended by Nomination and Remuneration Committee.
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.
Whistle Blower Policy	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 behaviour, actual or suspected fraud or violation of the code of conduct for policy.
Policy for determining the material related party transactions and dealing with the related party transactions	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://owmnaahar.com/naahar_cf/pdf/RPT-NAHAR-CAPITAL.pdf .
Insider Trading Policy	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: <ol style="list-style-type: none"> i. Code of practices and procedures for fair disclosure of unpublished price sensitive information ii. Code of conduct to regulate, monitor and report trading by insiders



	The 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.
Preservation of documents Policy	The Board of Directors in their meeting held on 10 th 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.
Archival policy	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 10 th 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.
Board Diversity Policy	The Board of Directors in their Meeting held on 3 rd 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.

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/NAHARCAPAPP OINTMENTANDREMUNERATIONPOLICY.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, 2019, 13th August, 2019, 11th November, 2019 and 12th February, 2020 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 12th December, 2019, 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.owmnaahar.com/nahar_cf/pdf/Familiarization-Program2020.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, 2020. 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, 2020 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.owmnaahar.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 May 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 two Associate Companies viz. M/ s. Nahar Spinning Mills Ltd. and M/s. Nahar Poly Films Ltd. M/s. Nahar Industrial Enterprises Ltd. has 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 two Associate Companies viz. M/s. Nahar Spinning Mills Ltd. and M/s. Nahar Poly Films Ltd. M/s. Nahar

Industrial Enterprises Ltd. ceased to be Company's Associate Company during the year 2019-20. 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 two Associate Companies for the financial year ended 31st March, 2020.

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 31.03.2020.

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 gredressalnrcfs@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 2020-21.

DEMATERIALISATION 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, 2020, 98.47% of the total Equity Share Capital of the Company has been dematerialized.

The SEBI vide its Gazette 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 House,
4E/2, Jhandewalan Extension
NEW DELHI-110055

Telephone No : (011)23541234

Fax No. : (011)41540064

E-mail Address : rta@alankit.com

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

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.owmnaahar.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, 2020. 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 Practising Company Secretaries, having Certificate of Practice No. 2585 to conduct the Secretarial Audit of the Company for the financial year 2020-21.

M/s. P.S. Bathla and Associates, Practising Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2020 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 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.

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 2019-20 in the Form MGT-9 has been available on the Company's website at: http://www.ownnahar.com/nahar_cf/pdf/MGT-9_2020.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. 2,94,00,000/- (Rupees Two Crores Ninety Four Lakhs only) for the financial year 2019-20, as approved by shareholders vide their Special Resolution dated 30th September, 2019. Mr. Dinesh Oswal is 55 years of age. He is a Commerce Graduate and has business experience of more than 35 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 as on 31.03.2020 is 21649 equity shares of Rs. 5/- each. 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 2019-20, the Company has not received any complaint on sexual harassment and hence no complaint remains pending as of 31st March, 2020.

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, 2020 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 ended 31st March, 2020 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
DATED: 12TH AUGUST, 2020

JAWAHAR LAL OSWAL
(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 M/s. 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 (CSR) 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. 2633.53 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 52.67 Lakhs

5. Details of CSR spend for the financial year:

(a) Total amount spent for the financial year: Rs. 0.73 Lakhs

(b) Amount unspent, if any: Rs. 51.94 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. 0.73 Lakhs towards HDFC Cancer Cure Fund and was not able to spend its remaining CSR amount of Rs. 51.94 Lakhs till March 31, 2020 and accordingly, the Company transferred the unspent amount of Rs. 51.94 Lakhs to the CSR Reserve Fund. However, the Company contributed Rs. 51.94 Lakhs in May, 2020 in respect of its CSR obligations for the year 2019-20 as required by M/s. 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 under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent to the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1.	Health Care Project: At Mohan Dai Oswal Cancer Treatment & Research Foundation , Ludhiana	Promoting Health Care including Preventive Health Care	(1) Local Area (2) State -Punjab, Ludhiana	--	Rs. 777 Lakhs	Rs. 1220.22 Lakhs	Through Oswal Foundation, a Charitable Trust
2.	Donation to HDFC Charity Cancer Cure Fund	Promoting Health Care including Preventive Health Care	--	--	Rs. 0.73 Lakhs	Rs. 2.24 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. 6.47 Lakhs	Rs. 71.12 Lakhs	Through Oswal Foundation, a Charitable Trust
4.	A. Government Primary School at: 1. Village Bhatian , Distt. Ludhiana 2. Gaispura Ludhiana 3. Village Thakkarwal , Ludhiana 4. Govt. Blind School, Jamalpur, Ludhiana B. Punjab Agriculture University (PAU) Ludhiana C. Government College, Ludhiana	Promotion of Education	(1) Local Area (2) State -Punjab, Ludhiana	--	Rs. 30.42 Lakhs	Rs. 215.16 Lakhs	Through Oswal Foundation, a Charitable Trust
5.	Others: 1. Sports 2. Other activities	Social Business Projects	(1) Local Area (2) State -Punjab, Ludhiana	-- --	Rs. 0.60 Lakhs Rs. 1.13 Lakhs	Rs. 12.02 Lakhs Rs. 2.67 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. 0.73 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. 51.94 Lakhs till March 31, 2020 and accordingly, the Company transferred the unspent amount of Rs. 51.94 Lakhs to the CSR Reserve Fund. However, in May, 2020, the Company contributed Rs. 51.94 Lakhs in respect of its CSR obligations for the year 2019-20 as required by M/s. 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 : 12TH AUGUST, 2020

(DINESH OSWAL)

Managing Director/ Chairman of CSR Committee

(DIN: 00607290)



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st MARCH, 2020

[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, 2019 to 31st March, 2020** 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, 2020** according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable as the Company has not issued 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.

Place: Ludhiana
Date : 12th August, 2020

For P.S. Bathla & Associates

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 : 12th August, 2020

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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 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 2019-20 (in Rs.)	% Increase in Remuneration in the Financial Year 2019-20	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	29400000	8.89	79.73	PBT decreased by 11.69% and PAT increased by 23.95% in FY 2019-20
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	0.00	0.11	--
7	Dr. Vijay Asdhir Independent Director	20000	-50.00	0.05	--
8	Dr. S.K. Singla Independent Director	40000	33.33	0.11	--
9	Prof. K.S. Maini Independent Director	30000	50.00	0.08	--
10	Dr. A.S. Sohi Independent Director	20000	-33.33	0.05	--
11	Mr. Hans Raj Kapoor Chief Financial Officer	2328004	6.14	--	PBT decreased by 11.69% and PAT increased by 23.95% in FY 2019-20
12	Mrs. Anjali Modgil Company Secretary	595299	20.84	--	

Note: Mr. Dinesh Oswal, Managing Director, has been paid remuneration from 1st April 2019 to 31st March, 2020 as approved by Shareholders vide their Special Resolution dated 30th September, 2019 under Section 197 read with Schedule V of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017.

- ii) The median remuneration of employees of the Company during the financial year was Rs. 3.69 Lakhs.
- iii) In the financial year, there was an increase of 2.34% in the median remuneration of employees;
- iv) There were 20 permanent employees on the rolls of Company as on March 31, 2020;

v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 4.29% whereas the increase in the managerial remuneration for the same financial year is 8.89%.

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 for the Financial Year 2019-20 :

Sr. No.	Name & Designation	Remuneration Received (Rs. in Lakhs)	Nature of employment (contractual or otherwise)	Qualification and 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	294.00	Contractual	B.Com. 35 years	01.01.2017	55	Oswal Woollen Mills Ltd.	0.129	Yes
2	Mr. H.R. Kapoor CFO	23.28	Regular	CA 37 years	01.05.2008	62	Nahar Spinning Mills Ltd.	0.005	No
3	Mr. Siddharath Umesh Singh Sr. Manager (Finance)	19.78	Regular	MBA 13 years	03.09.2007	37	---	Nil	No
4	Mr. Sunil Gupta Manager (Credit Control)	8.84	Regular	Graduate 34 years	01.05.2008	57	Nahar Fibres	Nil	No
5	Mrs. Anjali Modgil Company Secretary	5.95	Regular	CS, M.Com. 9 years	23.07.2014	32	---	Nil	No
6	Mr. Sunil Kapoor Executive (Personnel)	5.12	Regular	Graduate 31 years	01.03.2008	57	Nahar Spinning Mills Ltd.	Nil	No
7	Mr. Pritpal Singh Asstt. Accounts	3.69	Regular	B.Com. 19 years	01.03.2008	44	Nahar Spinning Mills Ltd.	Nil	No
8	Saroj Kant Nayak Accountant	3.47	Regular	B.Com. 21 years	01.06.2015	55	Nahar Spinning Mills Ltd.	Nil	No
9	Mr. Suresh Kumar Chaudhary Asstt. T.O.	3.26	Regular	Hr. Sec. 27 years	01.05.2008	50	Nahar Spinning Mills Ltd.	Nil	No
10	Gurpreet Singh Accountant	3.16	Regular	MBA 8 years	23.07.2013	33	---	Nil	No

FOR AND ON BEHALF OF THE BOARD

**PLACE: LUDHIANA JAWAHAR LAL OSWAL
DATED: 12TH AUGUST, 2020 (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, 2020, 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.

The Board also periodically evaluates the need for change in its composition and size. We would like to inform you that Prof K.S. Maini, was appointed as Independent Directors by the Shareholders vide their Resolution dated 26th September, 2017, to hold office for three consecutive years for a term upto September 25, 2020. Thus, their period of office shall expire on 25th September, 2020. The Board on the basis of Notice received from Member under Section 160 of the Companies Act, 2013 and on the recommendation of Nomination and Remuneration Committee has proposed the appointment of Dr. Roshan Lal Behl (DIN: 06443747) as an Independent Directors of the Company to hold office for five consecutive years for a term upto 29th September, 2025.

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, 2019, 13th August, 2019, 11th November, 2019 and 12th February, 2020 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 Monday, 30th day of September, 2019 and the number of directorship and committee chairmanships

/memberships held by them in other public companies as on 31st March, 2020 are given herein below. Other directorships do not include directorships 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	1000	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	10	0	0	4	YES	21649	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	259	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	YES	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	3	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	4	YES	NIL	a) Nahar Poly Films Ltd. b) Nahar Spinning Mills Ltd. c) Monte Carlo Fashions Ltd.	Independent Director
Dr. Vijay Asdhir	Independent	3	1	2	2	NO	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, 2020, 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 as on 31st March, 2020 :

Mr. Jawahar Lal Oswal who is Chairman of the Company is holding 1000 equity shares of Rs. 5/- each of the Company. Mr. Dinesh Oswal who is a Managing Director of the Company is holding 21649

equity shares of Rs. 5/- each of the Company. Mr. Kamal Oswal Non-Executive Promoter Director is holding 259 equity shares of Rs. 5/- each of the Company. None of the other 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.ownahar.com/nahar_cf/pdf/Familiarization-Program2020.pdf

h. Board-skills/expertise/competencies:

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

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

In the table below, the specific areas of focus or expertise of individual board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skill/expertise.

Area of skills/expertise/competencies									
Name of Director	Industry Knowledge	Leadership	Managerial and Entrepreneurial	Exposure in policy shaping	Understanding of law, rules & regulations	Corporate Governance	Financial Expertise/Knowledge	Risk Management	Information Technology
Mr. Jawahar Lal Oswal	√	√	√	√	√	√	√	√	√
Mr. Dinesh Oswal	√	√	√	√	√	√	√	√	√
Mr. Kamal Oswal	√	√	√	√	√	√	√	√	√
Mr. Dinesh Gogna	√	√	√	√	√	√	√	√	√
Mr. S.K. Sharma	√	√	√	√	√	√	√	√	√
Dr. S.K. Singla	√	√	√	√	√	√	√	√	√
Dr. Amrik Singh Sohi	√	√	√	√	√	√	-	√	-
Dr. Vijay Asdhir	√	√	√	√	√	√	√	√	√
Dr. Manisha Gupta	√	√	√	√	√	√	√	√	√

**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. Resignation of an Independent Director:

Pursuant to Clause C(2)(j) of Schedule V read with Regulation 34(3) of Listing Regulations, requirement of providing the detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those is not applicable as no Independent Director has resigned during the year under review.

k. 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 at least 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 12th December, 2019, 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.

l. Confirmation of Independent Director Databank Registration:

The Company has received declarations from all the Independent Directors of the Company confirming that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs [“IICA”] as prescribed by the Ministry of Corporate Affairs as per notification dated October 22, 2019.

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 2019-20, the Committee met four times i.e. on 30th May, 2019, 13th August, 2019, 11th November, 2019 and 12th February,



2020, for reviewing and adopting the quarterly un-audited financial results as well as the financial statements for the year ended 31st March, 2019 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 2019-20 is as under:

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

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 three times i.e. on 29.05.2019, 12.08.2019

and 12.02.2020 during the year under review. The attendance record of the Members at the Meetings held during the year 2019-20 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. S.K. Singla	3	3
Prof. K.S. Maini	3	2
Dr. Manisha Gupta	3	3

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 2019-20 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	30,000.00
Dr. S.K. Singla	40,000.00
Dr. Amrik Singh Sohi	20,000.00
Dr. Vijay Asdhir	20,000.00
Dr. Manisha Gupta	40,000.00
Total	3,10,000.00

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 2019-20 is as follows:

Name of Director	Salary	Benefits	Bonuses	Stock Option	Pension	Total
Mr. Dinesh Oswal	2,94,00,000	--	--	--	--	*2,94,00,000

*Mr. Dinesh Oswal, Managing Director, has been paid remuneration from 1st April 2019 to 31st March, 2020 as approved by Shareholders vide their Special Resolution dated 30th September, 2019 under Section 197 read with Schedule V of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 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 three times from 1st April, 2019 to 31st March, 2020 i.e. on 1st July, 2019, 30th September, 2019 and 31st December, 2019. The attendance record of the Members at the Meetings held during the year 2019-20 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr Amrik Singh Sohi	3	1
Mr. S.K. Sharma	3	3
Dr. S.K. Singla	3	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, 2020 : 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. gredressalnctsl@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 sixteen times during the year under review i.e. 30th April, 2019, 16th May, 2019, 31st May, 2019, 29th June, 2019, 30th July, 2019, 9th August, 2019, 30th August, 2019, 13th September, 2019, 30th September, 2019, 15th October, 2019, 15th November, 2019, 16th December, 2019, 31st December, 2019, 31st January, 2020, 29th February, 2020 and 20th March, 2020 and the attendance record of the Members at the Meetings held during the year 2019-20 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	16	15
Mr. Dinesh Gogna	16	11
Prof. K.S. Maini	16	15
Mrs. Anjali Modgil	16	16

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 with 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.owmnahar.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 11th May, 2019 and 12th August, 2019. The attendance record of the Members at the Meetings held during the year 2019-20 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	2	2
Dr. S.K. Singla	2	2
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, 2020 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, 2019, 12th August, 2019, 11th November, 2019 and 12th February, 2020. The attendance record of the Members at the Meetings held during the year 2019-20 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Prof. K.S. Maini	4	3
Mr. Dinesh Gogna	4	4
Dr. S.K. Singla	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 15th April, 2019, 16th May, 2019, 29th June, 2019, 15th July, 2019, 7th August, 2019, 14th August, 2019, 13th September, 2019, 15th October, 2019, 15th November, 2019, 16th December, 2019, 3rd January, 2020, and 16th January, 2020.

The attendance record of the Members at the Meetings held during the year 2019-20 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	12	12
Mr. Dinesh Gogna	12	8
Prof. K.S. Maini	12	11

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, 2019 and 15th October, 2019. The attendance record of the Members at the Meetings held during the year 2019-20 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 8th July, 2019 and 16th December, 2019. The attendance record of the Members at the Meetings held during the year 2019-20 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. Manisha Gupta	2	1
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
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
2018-2019	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana.	30.09.2019	12.00 Noon

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

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.

2018-2019

- To approve the payment of Minimum Remuneration to Mr. Dinesh Oswal, Managing Director, in case of no profits or inadequacy of profits.

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

No Special Resolution was passed during the financial year ended 31.03.2020 through postal ballot.

iv. Person who conducted the postal ballot exercise:

Not applicable as no special resolution was passed during the financial year ended 31.03.2020 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.ownahar.com.

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

d. Whether it also displays official news releases

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

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

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

VI. GENERAL SHAREHOLDERS INFORMATION**a. Annual General Meeting**

Date :29th September, 2020

Day :Tuesday

Time :2.00 p.m.

Venue :The Company is conducting meeting through VC/OAVM pursuant to the General Circular Nos. 20/2020, 14/2020, 17/2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79. Hence, there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

b. Financial Year :Financial year of the Company comprises of twelve months i.e. 1st April, 2019 to 31st March, 2020

c. Dividend Payment Date :On or before 10th October, 2020

d. Date of Book Closure :19th September to 21st September, 2020 (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)
"Exchange Plaza",
Plot No. C/1 G-Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai-400051

The BSE Limited (BSE)
25th Floor,
P.J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.

The listing fees payable to BSE and NSE for 2020-21 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 2020-21 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, 2019 to March, 2020 are as follows:



Month	BSE		NSE	
	High	Low	High	Low
April, 2019	94.90	85.25	93.70	85.10
May, 2019	94.70	77.75	93.95	80.05
June, 2019	98.80	78.60	93.80	78.05
July, 2019	89.80	62.15	83.80	61.95
August, 2019	73.50	55.65	70.25	57.30
September, 2019	79.90	63.05	79.90	63.25
October, 2019	75.00	68.35	77.95	68.60
November, 2019	82.95	71.00	83.95	71.00
December, 2019	75.40	60.05	81.90	65.15
January, 2020	84.40	71.10	83.95	70.15
February, 2020	83.70	66.55	83.40	64.00
March, 2020	71.75	43.05	72.40	43.00

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, 2019 to March, 2020 is as under:

Financial Year	Share Prices of Nahar Capital and Financial Services Limited				BSE Sensex			
	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age Change over last Month's Closing	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age Change over last Month's Closing
2019-20								
April, 2019	94.90	85.25	91.10	0.66	39487.45	38460.25	39031.55	0.93
May, 2019	94.70	77.75	88.00	-3.40	40124.96	36956.10	39714.20	1.75
June, 2019	98.80	78.60	82.90	-5.80	40312.07	38870.96	39394.64	-0.80
July, 2019	89.80	62.15	64.70	-21.95	40032.41	37128.26	37481.12	-4.86
August, 2019	73.50	55.65	66.00	2.01	37807.55	36102.35	37332.79	-0.40
September, 2019	79.90	63.05	75.80	14.85	39441.12	35987.80	38667.33	3.57
October, 2019	75.00	68.35	73.05	-3.63	40392.22	37415.83	40129.05	3.78
November, 2019	82.95	71.00	74.00	1.30	41163.79	40014.23	40793.81	1.66
December, 2019	75.40	60.05	71.90	-2.84	41809.96	40135.37	41253.74	1.13
January, 2020	84.40	71.10	74.00	2.92	42273.87	40476.55	40723.49	-1.29
February, 2020	83.70	66.55	67.80	-8.38	41709.30	38219.97	38297.29	-5.96
March, 2020	71.75	43.05	43.60	-35.69	39083.17	25638.90	29468.49	-23.05

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 generally 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, 2020, your Company had 10231 shareholders having a total of 1,67,46,167 Equity Shares. The following is the distribution of Shareholding:



No. of Shares Held	No. of holders	Percentage of Share holders	Aggregate shares held	Percentage of share holding
1-500	9078	88.73	1103528	6.59
501-1000	593	5.80	441347	2.64
1001-2000	260	2.54	373069	2.23
2001-3000	98	0.96	238210	1.42
3001-4000	43	0.42	147328	0.88
4001-5000	35	0.34	162799	0.97
5001-10000	54	0.53	378048	2.26
10001 and above	70	0.68	13901838	83.01
Total	10231	100.00	16746167	100.00

n. Shareholding Pattern as on March 31, 2020

Shares held by	No. of Shares	Percentage of Shareholding
Banks and Mutual Funds	4007	0.02
Foreign holdings (FIIs, NRIs, OCBs)	215907	1.29
Body Corporates	598838	3.57
General Public	3990268	23.83
Promoter	11818911	70.58
Shares Transferred to IEPF	118236	0.71
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 (India) Ltd. (CDSL). The investors have an option to dematerialize their equity shares with either of the Depositories. As on 31st March, 2020, 1,64,90,144 comprising 98.47% 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. : 0161-2661180, 2222942
E-mail address : secncfs@owmnaahar.com
Website : www.owmnaahar.com

t. Credit Ratings:

As on 31st March, 2020, 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. 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 2019-20 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. 96346/- which includes Audit Fees and Certification charges during the year 2019-20.

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. Insurance Policy for Directors and Officers:

As per Regulation 25(10) of Listing Regulations, top 500 listed entities w.e.f. 1st October, 2018 is required to undertake Director and Officer Insurance Policy. The company does not fall under the category of top 500 listed entities but

for ensuring good Corporate Governance, the Company has already taken Directors and Officers insurance ('D and O insurance') Policy.

16. 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.

17. 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 26.06.2020.

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.owmnahar.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

- c. 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: 12TH AUGUST, 2020 (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, 2020.

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: 12TH AUGUST, 2020**



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, 2020.

Place : LUDHIANA
Dated: 12TH AUGUST, 2020

DINESH OSWAL
(MANAGING DIRECTOR)
(DIN: 00607290)

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of 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, 2020 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/-
SAKSHI GARG
(Partner)
Membership No. 553997

PLACE: LUDHIANA
DATED: 12TH AUGUST, 2020

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Overview**

The financial year 2019-20 began with formation of new government, which took a strong stance on economic development, with the aspiration to reach a \$5 trillion economy by 2024. The Economic Survey published in July 2019 with the theme of wealth creation, pro-business policies and corporate tax rate cuts of September 2019 were in line with the aspirations. At the end of August 2019, the Ministry of Finance announced that 10 Public Sector Banks were to be merged into 4. Meanwhile, RBI systematically reduced the repo policy rates over the course of the year, from 6.25% at the end of FY19 to 4.40% at the end of FY20. Despite these interventions, FY20 showed a slowdown in growth from the previous year. Implied real GDP growth was estimated at 5% down from FY19 figure of 6.1%. In fact Covid-19 is the major reason for downtrend in financial Results of last quarter of 2019-20.

COVID-19 OUTBREAK

In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Coronavirus "Covid-19" as a pandemic. The COVID-19 pandemic has caused a huge disruption creating an unprecedented impact on the financial well-being of nations, corporations and individuals. The COVID-19 pandemic followed by the nation-wide lockdown announced by the Government of India has significantly impacted businesses around the globe. Many companies in India temporarily suspended or significantly reduced operations. Fast-moving consumer goods companies in the country significantly reduced operations and focused on essentials. This has resulted in a sudden fall in the valuation of securities traded in the bourses.

The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating Rs. 20 lakh crores — which covered among others (i) direct cash transfers and food security for vulnerable sections of society, (ii) collateral free loans and concessional credit to farmers and street vendors, (iii) enhancement of systemic liquidity by the Reserve Bank of India (RBI), (iv) special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, MFIs and mutual funds, (v) 100% credit guarantee scheme for aggregate Rs. 3 lakh crore of emergency credit lines by banks and NBFCs

to their MSME borrowers and (vi) subordinated debt and equity support to MSMEs.

The impact of COVID-19 outbreak on the Company's business has already been discussed in the Directors' Report hence the same is not mentioned here for the sake of brevity.

Industry Structure and Developments

Non-banking financial companies (NBFCs) are playing an important role in sustaining consumption demand as well as capital formation in small and medium industrial segment. 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. NBFCs shape the financial services to meet the needs of specific clients. NBFCs provide multiple alternatives to transform an economy's savings into capital investment.

The NBFC sector is currently undergoing a liquidity hurdle with a spate of defaults of companies that started unfolding since September 2018. The Reserve Bank of India and the Finance Ministry have announced a slew of measures to generate demand and ease the liquidity by ensuring public sector banks lend further to NBFCs, introducing partial credit guarantee scheme, organizing loan mela, systemic liquidity infusion, easier securitization norms, according "priority sector" tag for bank credit to NBFCs, increasing exposure limit for banks' lending to single borrower NBFCs, etc. While the impact of these measures is yet to be seen, NBFCs are vital to the economy and with stress not dissipating immediately, a more structural solution is needed to address the issue. NBFCs will still play a critical role in ensuring capital to a vast array of consumers.

Recent developments in the Non-banking financial companies (NBFC) sector have brought the sector under greater market discipline. India has a lot of unbanked 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.

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

In 2019, India became a \$2.7 trillion economy, having added one trillion US dollars in the last five years. India's rank in the World Bank's Ease of Doing Business 2020 survey has consistently improved over last three years and stands at 63, among 190 countries, making it the one of world's top 10 most improved countries for the third consecutive time.

Prior to the outbreak of COVID-19, the outlook for growth for 2020-21 was looking up. First, the bumper rabi harvest and higher food prices during 2019-20 provided conducive conditions for the strengthening of rural demand. Second, the transmission of past reductions in the policy rate to bank lending rates has been improving, with favorable implications for both consumption and investment demand. Third, reductions in the goods and services tax (GST) rates, corporate tax rate cuts in September 2019 and measures to boost rural and infrastructure spending were directed at boosting domestic demand more generally.

The COVID-19 pandemic has drastically altered this outlook. The global economy is expected to slump into recession in 2020, as per post-COVID projections. Till now we see that financial markets across the world are experiencing extreme volatility; global commodity prices, especially of crude oil, have declined sharply. However, the global liquidity driven rally has been witnessed despite COVID-19 numbers shooting up in various geographies due to monetary policies and stimulus packages. Government of India and RBI are taking swift actions to tackle the pandemic and its consequences. Consequently, domestic markets remained in the green zone on the back of gradual opening up of the economy, news stating early vaccine for COVID-19 and cheap capital (domestic & global) could start the CAPEX cycle, and stimulus package along with sustained global liquidity will support the sentiment. Noting above facts, your

management is quite hopeful of early recovery of the economy.

During the financial year 2019-20, your Company changed the pattern of allocation of funds. Lower allocation made in Fixed Maturity Instruments, Debt Mutual Funds, Debentures, Debt Structures, MLDs' NBFCs', Perpetual Bonds and Preference Shares etc. due to lower returns and also due to increased defaults in repayments. Higher allocation made in domestic equity, international equity funds, Top rated Bond Funds, Banking & PSU Funds etc. Company also increased lending to known Business associates and Group Companies for safety and higher returns. Company is hopeful that revised allocation will help in better Asset Portfolio Management to get the better returns with safety. The Company also invested in Real Estate Alternate Investment Funds, increased allocation in equity through reputed Portfolio Fund Managers, allocation in Private Equity Funds, allocation to Gold/Commodity Funds etc. to get the better returns through diversified portfolio. Keeping in view the key policy changes by Government and RBI and also fall in Equity Market due to COVID 19, the Company decided to increase the investment in Equity Market to participate in future growth of Industry and Economy.

Your Company foresees and is cautious of all the economic and financial threats while making new investments and also aware of the fact that change in Government policies and rate of interest revisions will affect the valuation of investments made by Company. Your company is more cautious in investing by way of increasing fund allocations to safer and highly rated securities and also in funds having exposure to overseas markets and focus on new business/Investment opportunities. The company is dealing with challenging times and continuous efforts are being made to meet the challenges ahead.

Future Outlook

The Central Statistics Office (CSO) estimated the economic growth for the FY20 at 4.2 per cent. COVID-19 pandemic, the accompanying lockdowns and the expected contraction in global output in 2020 weigh heavily on the growth outlook. The actual outcome would depend upon the speed with which the outbreak is contained and economic activity returns to normalcy. Significant monetary and liquidity measures taken by the Reserve Bank and fiscal measures by the Government would mitigate the



adverse impact on domestic demand and help spur economic activity once normalcy is restored.

The Government of India announced the “Atma Nirbhar Bharat Abhiyan” so as to revive every sphere of the economy from demand, supply to manufacturing, and make India self-reliant to sustain and tackle any Black Swan event in the future. The Indian Government’s decision to remove most of the restrictions has provided much-needed relief to businesses, large and small. Despite this, the demand scenario is expected to remain weak for most of the current financial year but it could make a comeback in forthcoming years. The resumption of normal economic activity will drive much of the growth. As soon as the Business activities normalize, we may see implementation of pending capital investments.

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, 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 and its continuous review has enabled it to get early warning signals because of corrective measures taken by company from time to time. The Company uses information technology extensively in its operations for ensuring effective controls besides economy.

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 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.

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. 2059.84 Lakhs with a net profit before tax of Rs. 1462.78 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. The Board has proposed a payment of dividend of Rs. 0.50/- per equity share (i.e. 10%) for the year ending March 31, 2020 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 20 as on 31st March 2020.

In response to COVID-19 pandemic, the Company has taken various measures duly taking care of livelihoods of its employees, their safety and security. The steps include providing masks, hand sanitizers, disinfectants, conducting regular temperature checks and being very vigilant on employees and essential visitors at our office.

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	31.03.2020	31.03.2019	% Change
Debt/Equity Ratio	times	0.0064	0.0065	-1.54
Interest Coverage Ratio	times	26.59	37.64	-29.36
Return on Net Worth	%	2.30	1.56	47.44
PBT/Total Income	%	64.05	59.36	7.90
Capital Adequacy	%	97.93	95.48	2.57
Tier I Capital	%	97.91	95.48	2.55
Tier II Capital	%	0.02	0.00	0.02

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

Due to high finance cost coupled with lower EBITA than last year, the Interest Coverage ratio has been affected during the year. However, Company's Return on Net worth has improved during the year due to reduction in net assets.

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: 12TH AUGUST, 2020

JAWAHAR LAL OSWAL
(CHAIRMAN)
(DIN: 00463866)

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@owmnahtar.com or gredressalncfs@owmnahtar.com.

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



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NAHAR CAPITAL & FINANCIAL SERVICES LIMITED
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, 2020, 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, 2020, 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.

Emphasis of Matter

We draw attention to Note 52 to the Standalone Ind AS Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

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 31 st March, 2020 (Refer to Note no.6 to the notes to the standalone financial statements)	
<p>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.</p> <p>These included investments in quoted and unquoted equity shares, mutual funds, preference shares and tax free bonds. Investments also include investment in associate companies.</p> <p>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.</p> <p>Accordingly, investment was determined to be a key audit matter in our audit of standalone financial statements.</p>	<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. • 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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**

**(CA Sakshi Garg)
Partner
M.No.553997**

**Dated: 26.06.2020
Place : Ludhiana**

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, 2020 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

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

Opinion

In our opinion, to the best of our information and according to the 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, 2020, 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**

**(CA Sakshi Garg)
Partner
M.No.553997**

Dated: 26.06.2020

Place : Ludhiana

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)

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 free hold, 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 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, 2020 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, 2020 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 the 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 31.03.2020.

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	2013-14	CIT (A), Ludhiana
The Income Tax Act, 1961	Income Tax	1823030	2015-16	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 give 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 give 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**

**(CA Sakshi Garg)
Partner
M.No.553997**

**Dated: 26.06.2020
Place : Ludhiana**



Standalone Statement of Cash Flows for the year ended 31st March, 2020

	For year ended March 31, 2020	For year ended March 31, 2019
A Cash flow from operating activities		
Profit before tax	1319.40	1494.07
Adjustments for:		
Depreciation and amortisation expense	73.40	43.67
Interest income on fixed deposit and financials assets measured at amortised cost	(604.60)	(269.47)
Dividend income classified as investing cash flows	(541.08)	(639.96)
Impairment on financial instruments	56.96	197.31
Remeasurement gains and loss on employee benefit obligations	(1.49)	(2.28)
Fair Value gain/(loss) on Investments	293.03	(34.96)
Corporate Social Responsibility Expenses	(50.78)	(86.02)
Interest paid	51.56	40.78
Operating profit before working capital changes	596.39	743.13
Inflow/(outflow) on account of:		
Loans	(2,649.16)	(0.64)
Investments	16,861.02	4,657.77
Bank balance other than cash and cash equivalents	(799.34)	(5.06)
Inventory	222.01	(2,664.00)
Other financial assets	(138.81)	(77.15)
Other non-financial assets	19.45	2291.82
Trade and other payables	(4.24)	2.50
Short term borrowings	(88.44)	(1929.71)
Provisions	2.16	(12.61)
Other financial liability	36.99	88.66
Other non-financial liability	(14.31)	(5.03)
Cash used in operating activities post working capital changes	14,043.70	3,089.68
Income tax paid (net)	(290.88)	(209.80)
Net cash inflow from/ (used in) operating activities (A)	13,752.82	2,879.88
B Cash flows from investing activities		
Purchase of Property, plant and equipment and investment property	(883.32)	(1,816.13)
Dividend received	541.08	639.96
Fair value gain/(loss) on Investments	(293.03)	34.96
Impairment on Financial Instruments	(56.96)	(197.31)
Interest received	564.06	269.48
Investments of Equity Instruments on Other Comprehensive Income	(13,275.85)	(1,466.15)
Net cash inflow from/ (used in) investing activities (B)	(13,404.02)	(2,535.19)
C Cash flows from financing activities*		
Interest paid	(51.56)	(40.78)
Dividend paid (including tax)	(302.83)	(302.83)
Net cash inflow from/ (used in) financing activities (c)	(354.38)	(343.61)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(5.57)	1.09
Cash and cash equivalents at the beginning of the year	19.76	18.67
Cash and cash equivalents at the end of the year	14.19	19.76

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 Board of Directors of
Nahar Capital And Financial Services Limited

Sakshi Garg
Partner
M No. 553997

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 : 26th June 2020



Balance Sheet as at 31st March, 2020

All Amount in Lakhs Rupees, unless otherwise stated

Particulars	Note No	As At 31 March, 2020	As At 31 March, 2019
ASSETS			
Financial Assets			
Cash and Cash equivalents	3	14.18	19.76
Bank Balances other than above	4	842.40	43.06
Loans	5	2,691.30	42.14
Investments	6	51,843.40	68,663.88
Others Financial Assets	7	353.65	214.84
Total Financial Assets		55,744.93	68,983.68
Non - Financial Assets			
Inventories	8	3,064.79	3,286.80
Current Tax Assets	9	184.83	3.24
Deferred Tax Assets	10	217.22	-
Investment Property	11	4,102.40	3,753.39
Property, Plant and Equipment	12	2.38	4.15
Capital Work in Progress	13	1,553.08	1,090.40
Other Non Financial Assets	14	21.32	40.77
Total Non Financial Assets		9,146.02	8,178.75
TOTAL		64,890.95	77,162.43
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			
	15	2.25	6.49
Borrowings (Other than Debt Securities)	16	407.66	496.10
Other Financial liabilities	17	908.29	871.31
Total Financial liabilities		1,318.20	1,373.90
Non-Financial liabilities			
Current Tax Liabilities (Net)	18	-	109.31
Provisions	19	4.36	2.19
Deferred Tax Liabilities	20	-	6.77
Other Non-Financial Liabilities	21	29.31	43.62
Total Non-Financial Liabilities		33.67	161.89
EQUITY			
Equity Share Capital	22	837.31	837.31
Other Equity	23	62,701.77	74,789.33
Total Equity		63,539.08	75,626.64
TOTAL		64,890.95	77,162.43

The accompanying notes from 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
RN 017800N

Sakshi Garg
Partner
M No. 553997

Anjali Modgil
Company Secretary

Hans Raj Kapoor
Chief Financial Officer

Dinesh Oswal
Managing Director
DIN : 00607290

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

Jawahar Lal Oswal
Chairman
DIN : 00463866

Place : Ludhiana
Date : 26th June 2020



Statement of Profit & Loss Account for the year ending 31st March, 2020

All Amount in Lakhs Rupees, unless otherwise stated

Particulars	Note No.	For Year ended March 31, 2020	For Year ended March 31, 2019
Income			
Interest Income	24	604.60	269.47
Dividend Income	25	541.08	639.96
Rental Income	26	434.05	163.17
Net Gain On Fair Value Changes Trading Unit	27	(293.03)	34.96
Total revenue from operations (I)		1,286.70	1,107.56
Other income	28		
Net Gain on Fair Value Changes Main Unit		271.52	1,032.78
Net gain on Derocgnition of Financial Instruments Under Amortised Cost Category		498.72	372.69
Other Income		2.91	3.74
Total other income (II)		773.15	1,409.21
Total income (I+II)		2,059.85	2,516.77
Expenses:			
Finance Costs	29	51.56	40.78
Fees and Commission Expense	30	6.56	263.69
Impairment on Financial Instruments	31	56.96	197.31
Purchase of Stock-in-trade		-	2,664.00
Changes in Inventories of Stock-in-trade		-	(2,664.00)
Employee Benefits Expenses	32	408.52	373.47
Depreciation and Amortisation	33	73.40	43.67
Other Expenses	34	143.45	103.78
Total expenses		740.45	1,022.70
Profit before tax		1,319.40	1,494.07
Tax expense	35		
Current tax		-	369.97
Deferred tax charge		(143.38)	(56.05)
MAT credit utilised		-	-
Previous year income tax		-	-
Total Tax Expense		(143.38)	313.92
Net Profit for the year		1,462.78	1,180.15
Other comprehensive income			
A) Items that will not be reclassified to profit and loss			
Changes in fair value of FVOCI equity instruments		(13,275.85)	(1,466.15)
Remeasurements of post-employment benefit obligations		(1.49)	(2.28)
Income tax relating to items that will not be reclassified to profit or loss		80.61	94.34
Other comprehensive income/(loss) for the year		(13,196.73)	(1,374.09)
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		(13,196.73)	(1,374.09)
Profit after tax		(11,733.95)	(193.94)
Earnings per equity share	36		
Equity shares of par value Rs.5 each			
Basic		8.74	7.05
Diluted		8.74	7.05

The accompanying notes from an integral part of the financial statements.
This is the Profit & Loss Account referred to in our report of even date.

For YAPL & Company
Chartered Accountants
FRN 017800N

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

Sakshi Garg
Partner
M No. 553997

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 : 26th June 2020

**Notes forming part of Financial Statement for the year ending 31st March 2020****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 and also company is doing Real Estate Business. 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 2020**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, 2020 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').

- a) The Financial statements of the Company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans-assets measured at fair value.
- b) The Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy neither to in use.
- c) The financial statements for the year ended March 31, 2020 were authorized and approved for issue by the Board of Directors on 26 June 2020.

(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 equipmentRecognition 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.

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.

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 use 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.

The Company is liable to pay Minimum Alternate Tax ('MAT') 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.

However, whenever there is normal taxation for the company, following Accounting Policy will be followed:

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

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

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

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

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.

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.

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

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 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.

Ind AS 116 'Leases' On 30th March 2019, MCA has notified in Ind AS 116, Leases. 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 'lowvalue' assets and short term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of 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.

Lessees will be also required to measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use-asset. It has no impact on the Company.



Particulars	As at March 31, 2020	As at March 31, 2019
3 Cash and cash equivalents		
Cash in hand	0.34	0.23
Balance with banks		
- with scheduled banks in current accounts	12.54	10.41
- with scheduled banks held as PMS	1.30	9.12
	14.18	19.76
4 Bank balances other than above		
Bank Deposits with banks and NBFC's	811.39	11.39
Earmarked Balances with banks for unpaid dividends	31.01	31.67
Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date	-	-
	842.40	43.06
5 Loans		
The Company has categorised all loans at Amortised Cost in accordance with therequirements of Ind AS 109.		
Loans		
Loans repayable on demand- Stage 1	2,700.00	82.09
Loans repayable on demand- Stage 2	-	-
Other Loans to employees	2.10	1.09
Total (A) - Gross Loans	2,702.10	83.18
Less: Standard Asset Provision- Stage 1	(10.80)	-
Less: Allowance for impairment loss for loan assets-Stage 3	-	(41.04)
Total (A) - Net Loans	2,691.30	42.14
Security Details		
Secured by tangible asset	2,700.00	82.09
Unsecured	-	1.09
Less: Allowance for impairment loss for loan assets Loans to employees	2.10	1.09
Total (B) - Gross Loans	2,702.10	83.18
Less: Standard Asset Provision	(10.80)	-
Less: Allowance for impairment loss for loan assets	-	(41.04)
Total (B) - Net Loans	2,691.30	42.14
Loans in India	2,702.10	83.18
Loans outside India	-	-
Total (B) - Gross Loans	2,702.10	83.18
Less: Allowance for impairment loss for loan assets	-	-
Less: Standard Asset Provision-Stage 1	(10.80)	(41.04)
Total (B) - Net Loans	2,691.30	42.14
5.1 Reconciliation between the figures reported under Ind-AS and actual amounts outstanding in respect of Loans:		
Net Loans	2,702.10	42.14
Add: Allowance for Expected Credit Loss netted off as per Ind-AS	(10.80)	-
Gross Loans	2,691.30	42.14


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, 2020						
Invesments						
A) in India						
Mutual Funds	-	-	11,408.88	11,408.88	-	11,408.88
Government securities	154.19	-	-	-	-	154.19
Debt Securities	1,522.81	-	911.58	911.58	-	2,434.39
Preference shares	4,846.61	-	-	-	-	4,846.61
Equity Instruments (Subsidiaries/Associates)	-	-	-	-	12,023.18	12,023.18
Equity Instruments (Other Group companies)	-	11,238.35	-	11,238.35	-	11,238.35
Equity Instruments (Others)	-	5,589.92	1,643.60	7,233.52	-	7,233.52
AIF/Venture Funds	-	-	2,306.69	2,306.69	-	2,306.69
Interest accrued	-	-	-	-	197.59	197.59
Total (A) - Net	6,523.61	16,828.27	16,270.74	33,099.02	12,220.77	51,843.40

As at March 31, 2019						
Invesments						
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)	-	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 (A) - Net	4,638.10	22,348.17	22,637.64	44,985.81	19,039.97	68,663.88

	As at 31 March, 2020	As at 31 March, 2019
7 Others financial assets		
Others	282.40	143.95
Security deposits	71.25	70.89
	353.65	214.84
8 Inventories		
Real Estate Property	3,064.79	3286.80
	3,064.79	3,286.80
9 Current tax assets (net)		
Advance income tax	294.14	263.24
Less: Provision for income tax	109.31	260.00
Current tax assets (net)	184.83	3.24
10 Deferred tax assets (net)		
Deferred Tax Asset	217.22	-
	217.22	-



11. Investment Property
Current Year

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April 2019	Additions	Disposal/ adjustments	As at 31 Mar 2020	As at 1 April 2019	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2020	As at 31 Mar 2020	As at 31 Mar 2019
Buildings	3,825.58	287.84	-	4,113.42	72.19	65.03	-	137.22	3,976.20	3,753.39
Furniture	-	132.71	-	132.71	-	6.51	-	6.51	126.20	-
	3,825.58	420.55	-	4,246.13	72.19	71.54	-	143.73	4,102.40	3,753.39

Previous Year

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April 2018	Additions	Disposal/ adjustments	As at 31 Mar 2019	As at 1 April 2018	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2019	As at 31 Mar 2019	As at 31 Mar 2018
Buildings	2,009.94	18,15.64	-	3,825.58	30.52	41.67	-	72.19	3,753.39	1,979.42
	2,009.94	18,15.64	-	3,825.58	30.52	41.67	-	72.19	3,753.39	1,979.42

11.1 Fair Value of Investment Property

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying Value	4,102.40	3,753.39
Fair Value	4,102.40	3,753.39

The Company obtains independent valuations for its investment properties at least manually. 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.

12. Property, plant and equipment
Current Year

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April 2019	Additions	Disposal/ adjustments	As at 31 Mar 2020	As at 1 April 2019	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2020	As at 31 Mar 2020	As at 31 Mar 2019
vehicle	11.57	-	-	11.57	8.56	1.43	-	9.99	1.58	3.01
Office Equipment	3.65	0.08	-	3.74	2.51	0.43	-	2.94	0.80	1.15
Total	15.23	0.08	-	15.31	11.07	1.86	-	12.93	2.38	4.15

Previous Year

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April 2018	Additions	Disposal/ adjustments	As at 31 Mar 2019	As at 1 April 2018	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2019	As at 31 Mar 2019	As at 31 Mar 2018
vehicle	11.57	-	-	11.57	7.14	1.43	-	8.56	3.01	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

* Represent 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.

- 12.1 in the opinion of management, these are no events or change 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.
- 12.2 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 borrowing for the Company in terms of Ind AS 23' Borrowing Costs'.



Particulars	As at March 31, 2020	As at March 31, 2019
13 Capital Work in Progress		
Advance Against Property	-	-
Capital Advance	1,553.08	1,090.40
	1,553.08	1,090.40
14 Other non financial assets		
Balance with government authorities	9.51	39.52
Prepaid expenses	11.81	1.25
	21.32	40.77
15 Trade payables		
Total outstanding dues of MSMED's	-	-
Total outstanding dues of creditors other than MSMED's	2.25	6.49
	2.25	6.49
16 Borrowings		
Secured loans		
Overdraft facility against investments	407.66	496.10
Total (A)	407.66	496.10
Borrowings in India	407.66	496.10
Borrowings outside India	-	-
Total (B)	407.66	496.10
17 Other Financial liabilities		
Security deposits	173.72	104.62
Advance against asset held for sale	600.00	600.00
Payable to employees	18.50	27.31
Unpaid dividend	31.02	31.67
Expenses payables	5.21	27.47
Other payables	79.84	80.24
	908.29	871.31
18 Current tax liabilities (net)		
Minimum alternate tax payable (net)	-	109.31
	-	109.31
19 Provisions		
Provisions for compensated absences(LWW)	0.79	0.61
Gratuity Payable	3.57	1.58
	4.36	2.19
20 Deferred tax liabilities (net)		
Deferred Tax liabilities recognised on account of: Investment measured at fair value through p & L	-	6.77
	-	6.77
21 Other non-financial liabilities		
Statutory dues	16.59	21.84
Deferred income	12.72	21.78
	29.31	43.62



22 Equity Share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised equity share capital		
30,000,000 (Previous year : 30,000,000) equity shares of RS 5 each	1500.00	1500.00
	1500.00	1500.00
Issued, subscribed and paid up equity share capital		
16,746,167 (Previous year : 16,746,167) equity shares of Rs 5 each	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.

Equity shares	31.03.2020		31.03.2019	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	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

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

Particulars	31.03.2020		31.03.2019	
	No. of shares	Percentage	No. of shares	Percentage
Nahar Polyfilms Ltd	66.12	39.48%	66.12	39.48%
Abhilash Oswal	13.38	7.99%	0.16	0.10%
Sakshewar Holding Company Limited	26.00	15.52%	1.52	0.91%
Nahar Industrial Enterprises Ltd	-	0.00%	13.63	8.14%
Oswal Woollen Mills Ltd	-	0.00%	13.22	7.90%

23. Other Equity

Particulars	" As at 31 March 2020"	" As at 31 March 2019"
(a) SECURITIES PREMIUM ACCOUNT		
Opening Balance	12,591.71	12,591.71
Add: Additions during the year	-	-
Balance at the year end	12591.71	12591.71
(b) GENERAL RESERVE		
Opening Balance	33,321.15	33,321.15
Add: Additions during the year	-	-
Balance at the year end	33,321.15	33,321.15
(c) CSR EXPENDITURE RESERVE		
Opening Balance	50.78	-
Add: Additions during the year	51.94	50.78
Less: Used during the year	(50.78)	-
Balance at the year end	51.94	50.78
(d) STATUTORY RESERVE FUND		
Opening Balance	5,146.46	4,886.46
Add: Additions during the year	-	260.00
Balance at the year end	5,146.46	5,146.46
(e) RETAINED EARNINGS		
Opening Balance	23,679.23	24,486.79
Profit for the year	1,462.78	1,180.15
Other Comprehensive Income for the year (net of tax)	(13,196.73)	(1,374.10)
Dividends	(251.19)	(251.19)
Dividend Distribution Tax	(51.63)	(51.63)
Transfer to CSR Reserve	(51.94)	(310.78)
Balance at the year end	11,590.52	23,679.23
Total Other Equity(a+b+c+d+e)	62,701.77	74,789.33



23.1 General reserve

The Company has not transferred any portion of the net profit to general reserve due to current year losses. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

23.2 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.

23.3 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. Accordingly, during the year, the Company has created Statutory Reserve Fund amounting to `Rs. 51.94 Lakhs (March 31, 2020)

23.4 Retained earnings

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

23.5 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. The Company has not created Statutory Reserve Fund due to loss during the year.

23.6 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.

24 Interest income

Particulars	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	On Financial Assets measured at Amortised Cost	Interest income on financial assets classified at FVTPL	On Financial Assets measured at Amortised Cost	Interest income on financial assets classified at FVTPL
Interest on loan assets	249.87	-	27.38	-
Interest on deposits with banks	55.27	-	0.55	-
Interest from alternate investments funds	-	132.50	-	80.47
Interest from bonds and debentures+tax free amt	166.96	-	157.01	-
Other interest income	0.00	-	4.06	-
	472.10	132.50	189.00	80.47
	604.60		269.47	

Particulars	As at 31 March 2020	As at 31 March 2019
25 Dividend income		
Dividends from associate companies	220.60	111.73
Dividends from other investments	320.47	528.23
	541.08	639.96
26 Rental Income		
Rental Income	434.05	163.17
	434.05	163.17

**27 Net gain on fair value changes Trading Unit**

Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Mutual Funds	-	-
- Others	(298.04)	52.26
(ii) On financial instruments designated at fair value through profit or loss	5.02	(17.30)
Total Net gain on fair value changes	(293.03)	34.96

Total Net gain on fair value changes [A+B]

Fair Value Changes:		
-Realised	(298.03)	34.96
-Unrealised	-	-
Total Net gain on fair value changes	(293.03)	34.96

28 Other income

Net gain on fair value changes on main investment unit	271.52	1,032.78
Net gain on derecognition of financial instruments under amortised cost category	498.72	372.68
Other income		
-Miscellaneous income	2.91	3.75
Total other income	773.15	1,409.21

29 Finance cost

(On Financial liabilities measured at Amortised Cost)		
Interest on borrowings	50.87	35.11
Other interest expense	0.69	5.67
	51.56	40.78

30 Fees and commission expenses

Fees and other charges	6.56	263.69
	6.56	263.69

31 Impairment on financial instruments

Particulars	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	On Financial Assetson measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assetson measured at fair value through OCI	On Financial Assets measured at Amortised Cost
Impairment on loan assets	(41.05)	0.00	0.00	0.00
Investments	0.00	0.00	104.00	0.00
Others (Preference Shares Diminution)	98.00	0.00	0.00	93.31
	56.96	0.00	104.00	93.31

32 Employee benefits expenses

Salaries, wages and bonus	396.14	369.16
Contribution to provident fund and other funds	7.93	4.26
Staff welfare expense	4.45	0.05
	408.52	373.47

33 Depreciation and amortisation

Depreciaion on tangible assets and investment properties	73.40	43.67
	73.40	43.67

**34 Other expenses**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	0.98	0.69
Rental expense	3.36	3.25
R&M building	16.41	8.06
Rates and taxes	16.15	6.98
Insurance charges	2.43	1.33
Legal and professional charges	63.25	63.40
Travelling and conveyance	4.08	3.55
Vehicle running and maintenance	0.81	0.92
Payment to auditors	1.22	0.82
Communication expenses	1.58	1.66
Director sitting fees	3.66	3.20
Printing & Stationery	2.64	2.75
AGM Expenses	0.48	0.44
STT	3.21	1.45
Donation	0.73	0.70
Bank charges	0.10	-
Miscellaneous expenses	22.36	4.58
	143.45	103.78

35 Tax expense

A (i) Current tax	-	369.97
(ii)Deferred Tax charge/(Credit)Minimum alternate tax credit entitlement	(143.38)	(56.05)
(iii)Tax-earlier years	-	-
	(143.38)	313.92

Reconciliation of tax expense between**Accounting profit at applicable tax rate and effective tax rate :**

Accounting profit before income tax	1,319.40	1,494.07
Statutory income tax rate	29.12%	29.12%
Tax expense at statutory income tax rate (A)	384.21	435.08

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)
(ii)Income exempted from tax	-	(267.68)
(iii)Tax impact of expenditure allowed on payment basis	-	44.34
(iv)Unrecognised tax assets	-	(28.95)
(v)Adjustments for current tax of prior periods	-	-
(vi)Minimum alternate tax (MAT) credit not created	(477.53)	315.81
(vii)Minimum alternate tax (MAT) impact on transition to Ind AS	-	109.30
(viii)Reversal of Deferred tax created on transition to Ind AS	(50.06)	(50.06)
(ix)Others	-	0.66
Total (B)	(527.59)	(121.16)

Income tax expense at effective tax rate reported in the Statement of Profit & Loss (A+B)	(143.38)	313.92
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36 Earning per share

Net profit attributable to equity shareholders		
Net profit/(Loss) for the year	1462.78	1,180.15
Par value per share	5.00	5.00
Weighted average number of Equity SharesTotal number of equity shares outstanding as the beginning of the year	167.46	167.46
Earnings per share - Basic and diluted	8.74	7.05



37 Corporate social responsibility expenses

Direct expenditure	-	-
Overheads expenditure	-	-

37.1 Disclosure in respect of Corporate social responsibility expenses :

(a) Gross Amount required to be spent by the Company during the year 2019-20 is Rs. 51.94 Lakhs (Previous year Rs. 50.78 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	51.94	50.78
	51.94	136.79

(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. 51.94Lakhs (Rs. fifty lakh one lakh ninety four thousand only) has been set apart towards CSR activity reserve.

38 Employee benefit obligations

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

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Defined Benefit Plans - Post-Employment Benefits		
Gratuity	59.40	52.08
(B) Other long term employee benefits		
Leave encashment	N.A.	N.A.
TOTAL	59.40	52.08

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, 2020	March 31, 2019
Current service cost (net)	2.06	1.55
Net Interest cost /(Income)	0.02	0.43
Net impact on profit (before tax)	2.08	1.98
Actuarial loss/(gain) recognised during the year		
Amount recognised in total comprehensive income	2.08	1.98



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

Description	March 31, 2020	March 31, 2019
Present value of defined benefit obligation as at the beginning of the year	52.08	45.75
Interest cost	3.54	3.62
Service cost	2.06	1.55
Benefits paid	-	(1.05)
Actuarial loss/(gain)	1.72	2.21
Present value of defined benefit obligation as at the end of the year	59.40	52.08

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

Description	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the period	50.50	32.29
Actual return on plan assets	0.23	(0.07)
Employer Contribution	2.46	16.14
Interest Income on plan assets	3.52	3.19
Benefits paid	-	(1.05)
Actuarial gain	-	-
Fair value of plan assets at the end of the period	56.71	50.50

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

Description	March 31, 2020	March 31, 2019
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	-	-

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

Description	March 31, 2020	March 31, 2019
Actuarial (gain)/loss from change in demographic assumption	-	2.17
Actuarial (gain)/loss from change in financial assumption	0.75	1.78
Actuarial (gain)/loss from experience adjustment	0.97	(1.74)
Total actuarial (gain)/loss	1.72	2.21

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

Description	March 31, 2020	March 31, 2019
Discount rate	5.60%	6.80%
Rate of salary increase	0.00%	7.00%
Expected rate of return on plan assets	N.A.	N.A.
Retirement age	58 years	58 years
Average past service	10.48 years	9.68 years
Average age	44.75 years	45.05 years
Average remaining working life	N.A.	N.A.
Withdrawal/Attrition rate		
Up to 30 Years	10.00%	10.00%
From 31 to 44 years	N.A.	N.A.
Above 44 years	N.A.	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.



Description	March 31, 2020	March 31, 2019
a) Impact of change in discount rate		
Present value of obligation at the end of the year	5.60%	6.80%
- Impact due to increase of 0.50 %	-0.88%	-0.76%
- Impact due to decrease of 0.50 %	0.92%	0.81%
b) Impact of change in salary/cost increase		
Present value of obligation at the end of the year	7.00%	7.00%
- Impact due to increase of 0.50 %	0.56%	0.47%
- Impact due to decrease of 0.50 %	-0.46%	-0.45%
c) Impact of change in withdrawal rate		
Withdrawal rate as on 31 March, 2019	10.00%	10.00%
-Effect on DBO due to 5% increase in withdrawal rate	-0.08%	0.42%
-Effect on DBO due to 5% decrease in withdrawal rate	0.26%	-0.51%

"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, 2020	March 31, 2019
Within next 12 months	25.41	20.90
Between 1-5 years	30.91	21.49
Beyond 5 years	10.86	21.27
	67.18	63.66

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, 2020	March 31, 2019
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)	-	-

Post Employment Benefit of KMP's

Name of KMP	Date of Joining	DBO as at 31.03.2020	DBO as at 31.03.2019
Mr. Dinesh Oswal	01.04.2009	20.00	20.00
Mr. Hans Raj Kapoor	08.11.1984 (In Nahar Group)	18.16	16.66
Mrs. Anjali Moudgil	23.07.2014	1.14	0.95

39. Related Party Disclosure

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 :

39.1 List of related parties and disclosures

Description of relationship	Names of related parties
Associate Companies	Nahar Poly Films Limited, Nahar Spinning Mills Limited
The Entities on which KMP has significant influence	Oswal Woollen Mills Limited, Oswal Foundation, Atam Vallabh Financiers Limited, Nahar Growth Fund Pvt. Ltd., Kovalam Investment and Trading Co. Ltd., Vanaik Investors Ltd., Vardhman Investment Ltd., J.L.Growth Fund Ltd., Ruchika Growth Fund P. Ltd., Abhilash Growth Fund P. Ltd., Monica Growth Fund P. Ltd., Vanaik Spinning Mills Ltd., Neha Credit and Investment P. Ltd., Bermuda Insurance Brokers P. Ltd. Nagdevi Trading and Investment Co. Ltd.,


Key Managerial Personnel and their relatives:

Name of Key Managerial Personnel	Designation
Mr. Dinesh Oswal	Managing Director
Mr. Hans Raj Kapoor	Chief Financial Officer
Mrs. Anjali Moudgil	Company Secretary
Promoters/Directors	
Mr. Jawahar Lal Oswal	Chairman
Mr. Kamal Oswal	Director
Mr. Dinesh Gogna	Director
Mr. Satish Kumar Sharma	Director
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

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

Nature of Related Parties	Nature of transaction	As at 31st March, 2020	As at 31st March, 2019
Mr. Dinesh Oswal	Remuneration	294.00	270.00
Promoters/Directors	Sitting Fee	1.88	3.20
Nahar Spinning Mills Limited	Rent paid	2.69	2.58
	Reimbursement of Expenses	19.16	152.57
	Loan Paid	2700.00	575.00
	Interest Received	224.31	12.81
	Other	89.02	0.00
Nahar Poly Films Limited	Loan paid	-	785.00
	Interest Received	-	7.13
Oswal Woollen Mills Limited	Rent Paid	0.67	0.67
	Reimbursement of Expenses	0.18	0.45
Atam Vallabh Financiers Limited	Equity Investment Purchased	92.17	0.00
	Equity Investment Purchased	62.25	0.00
	Equity Investment Sold	201.41	0.00
Nahar Growth Fund Pvt. Ltd.	Equity Investment Purchased	112.62	0.00
	Equity Investment Sold	0.00	0.00
Kovalam Investment And Trading CO. Ltd.	Equity Investment Purchased	400.23	0.00
	Equity Investment Sold	1027.74	0.00
Vanaik Investors Ltd.	Equity Investment Purchased	1137.51	0.00
	Equity Investment Sold	441.97	0.00
Vardhman Investment Ltd.	Equity Investment Purchased	61.82	0.00
	Equity Investment Sold	369.61	0.00
J.L.Growth Fund P. Ltd.	Equity Investment Purchased	174.03	0.00
	Equity Investment Sold	299.99	0.00
Ruchika Growth Fund P. Ltd.	Equity Investment Purchased	58.38	0.00
	Equity Investment Sold	0.00	0.00
Abhilash Growth Fund P. Ltd.	Equity Investment Purchased	97.43	0.00
	Equity Investment Sold	0.00	0.00
Monica Growth Fund P. Ltd.	Equity Investment Purchased	57.88	0.00
	Equity Investment Sold	0.00	0.00
Vanaik Spinning Mills Limited	Equity Investment Purchased	43.31	0.00
	Equity Investment Sold	0.00	0.00
Neha Credit And Investment P. Ltd.	Equity Investment Purchased	26.60	0.00
	Equity Investment Sold	0.00	0.00
Bermuda Insurance Brokers P. Ltd.	Equity Investment Purchased	10.52	0.00
	Equity Investment Sold	0.00	0.00
Nagdevi Trading And Investment Co. Ltd.	Equity Investment Purchased	627.77	0.00
	Equity Investment Sold	0.00	0.00



Note : Salary paid to Chief Financial Officer and Company Secretary is shown in the Director's Report and is not included in the above list of transactions.

39.3 Key management personnel remuneration includes the following expenses:

Name of related party	As at 31st March, 2020 (Rs. in Lakhs)	As at 31st March, 2020 (Rs. in Lakhs)
Short Term employee benefits		
Managerial Remuneration		
Paid to Mr. Dinesh Oswal	294.00	270.00
Director Sitting Fee		
Mr. Jawahar Lal Oswal	0.47	0.40
Mr. Kamal Oswal	0.47	0.40
Mr. Dinesh Gogna	0.47	0.40
Mr. Satish Kumar Sharma	0.47	0.40
Total Remuneration	295.88	271.60

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.

39.4. Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of Balance	As at 31st March, 2020	As at 31st March, 2020
Nahar Spinning Mills Limited	Other Payable	-	2.70
Oswal Woollen Mills Limited	Other Payable	0.91	0.79
Mr. Dinesh Oswal	Remuneration Payable	11.57	15.20

40 Commitments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contingent Liabilities 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	1,018.47	2,045.77
(ii) Other commitments		
- Demand of Income Tax Payable for A.Y. 2013-2014 & 2015-2016 Contested by Company	29.67	29.67
	1,048.14	2,075.44

41 Assets pledged as security

The carrying amounts of assets pledged as security are:

Particulars	31 March 2020	31 March 2019
Investments	6,851.21	4,455.08
Total assets pledged as security	6,851.21	4,455.08

42 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) March 31 2020	Borrowings (other than debt securities) March 31 2020
Opening	496.10	2,425.82
Cash flows:		
- Repayment of borrowings	88.44	1,929.72
- Proceeds of borrowings	-	-
- Foreign exchange	-	-
Non cash:		
- Fair value	-	-
Impairment on financial instrument		
- Others	-	-
Closing	407.66	496.10



- 43 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, 2020		March 31, 2019	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	14.18	-	19.76	-
Bank balances other than above	31.02	811.39	31.67	11.39
Loans	2.10	2,689.20	1.09	41.05
Investments	8,057.04	43,786.30	3,321.45	65,342.43
Other financial assets	282.40	71.25	143.95	70.89
	8,386.74	47,358.19	3,517.93	65,465.75
Non Financial assets				
Inventories	3,064.79	-	3,286.80	-
Current tax assets (net)	-	184.83	-	3.24
Deferred tax assets (net)	217.22	-	-	-
Investment property	-	4,102.40	-	3,753.39
Capital Work in Progress	-	1,553.08	-	1,090.40
Property, plant and equipment	-	2.38	-	4.15
Other non financial assets	21.32	-	40.77	-
	3,303.33	5,842.69	3,327.57	4,851.17
TOTAL	11,690.08	53,200.88	6,845.50	70,316.93
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
Trade Payables				
(i) total outstanding dues of MSMEs	-	-	-	-
(ii) total outstanding dues of creditors other than MSMEs	-	2.25	-	6.49
Debt securities	-	-	-	496.10
Borrowings (other than debt securities)	-	407.66	-	-
Subordinated liabilities	-	-	-	-
Other financial liabilities	103.56	804.74	135.02	736.29
	105.80	1,212.40	141.51	1,232.39
Non Financial Liabilities				
Current tax liabilities (net)	-	-	109.31	-
Provisions	4.36	-	2.19	-
Deferred tax liabilities (net)	-	-	6.77	-
Other non financial liabilities	16.59	12.72	21.84	21.78
	20.94	12.72	140.11	21.78
TOTAL	126.75	1,225.12	281.62	1,254.17
NET	11,563.33	51,975.76	6,563.88	69,062.76



44 Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2020	As at March 31, 2020
Financial assets measured at fair value			
Investments* measured at			
(i) Fair value through other comprehensive income	Note - 6	16828.27	22348.17
(ii) Fair value through profit and loss	Note - 6	16270.74	22637.64
Financial assets measured at amortised cost			
Investments*	Note - 6	6523.61	4638.10
Cash and cash equivalents	Note - 3	14.18	19.76
Bank balances other than above	Note - 4	842.40	43.06
Loans	Note - 5	(2.10)	1.09
Other financial assets	Note - 7	353.65	214.84
Total		40830.76	49902.67

Financial liabilities measured at amortised cost			
Trade payables	Note - 13	2.25	6.49
Borrowings (other than debt securities but including interest accrued)	Note - 14	407.66	496.10
Other financial liabilities	Note - 15	908.30	870.59
Total		1,318.20	1,373.18

* 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).

B1. Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through other comprehensive income				
Quoted equity investments	7,556.26	-	-	7,556.26
Unquoted equity investments	-	-	9,272.01	9,272.01
Investments at fair value through profit and loss				
Mutual funds	11,408.88	-	-	11,408.88
Venture capital funds and alternative investment funds	-	-	2,306.69	2,306.69

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
Unquoted equity investments	-	-	9,306.92	9,306.92
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



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.

45. 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 2018"	Purchases	Sales	Issuance	Net interest income/(loss) 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	-	-	-	-	34.20	9,306.92
Total investments	11,515.50	693.48	(245.89)	-	134.18	34.20	12,131.47

Particulars	"As at 1 April 2019"	Purchases	Sales	Issuance	Net interest income/(loss) and other income/(loss)	Other comprehensive income	As at 31 March 2020
Investment in Venture Funds	2,824.55	317.50	(661.32)	-	(174.05)	-	2,306.69
Investment in Equity instruments	9,306.92	-	(0.34)	-	-	(34.57)	9,272.01
Total investments	12,131.47	317.50	(661.66)	-	(174.05)	(34.57)	11,578.70

Sensitivity analysis

Description	As at March 31, 2020	As at March 31, 2019
Impact on fair value if change in earnings growth rate		
- Impact due to increase of 5%	(578.94)	(452.36)
- Impact due to decrease of 5%	578.94	452.36

The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019:

Particulars	
"As at March 31, 2018"	10,790.48
Gain/(loss) recognised in other comprehensive income	(1,466.15)
"As at March 31, 2019"	9,324.33
Gain/(loss) recognised in other comprehensive income	(13,275.85)
"As at March 31, 2020"	(3,951.52)

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, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	14.18	14.18	19.76	19.76
Bank balances other than above	842.40	842.40	43.06	43.06
Loans	2691.30	2691.30	42.14	42.14
Investments	6523.61	6816.29	4638.10	5281.81
Other financial assets	353.65	353.65	214.84	214.84
Total	10425.14	9861.23	4957.90	5538.79
Financial liabilities				
Trade payables	2.25	2.25	6.49	6.49
Borrowings	407.66	407.66	496.10	496.10
Other financial liabilities	908.30	908.30	870.59	870.59
Total	1318.20	1318.20	1373.18	1373.18

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.

46. Financial risk management

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 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, 2020	As at March 31, 2019
(i) Low credit risk - Stage 1		
Cash and cash equivalents	14.18	19.76
Bank balances other than above	842.40	43.06
Loans	2691.30	-
Investments	6523.61	4638.10
Security deposits	71.25	70.89
Other financial assets	353.65	214.84
(ii) Moderate credit risk - Stage 2		
Loans	-	-
(iii) High credit risk - Stage 3		
Loans	-	83.18

* 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.

Trade receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.



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.

Credit risk exposure

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, 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying Amount net of impairment provision
Cash and cash equivalents	14.18	-	14.18
Bank balances other than above	842.40	-	842.40
Investments	6,523.61	-	6,523.61
Security deposits	71.25	-	71.25
Other financial assets	353.65	-	353.65

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

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 2020	As at 31 March 2019
Gross loans in respect of borrower's where no specific default has occurred	2,700.00	-
Expected loss rate	-	50%
Loans due from borrowers where specific default has occurred	-	82.09
Expected credit loss (loss allowance provision)	-	-41.05
Gross carrying amount	2,700.00	41.05

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 2020	As at 31 March 2019
- Expiring within one year	4,392.34	2,503.90
- Expiring beyond one year	-	-
Total	4,392.34	2,503.90

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, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings other than debt securities including interest	459.22	-	-	-	459.22
Trade payables	2.25	-	-	-	2.25
Other financial liabilities	941.95	-	-	-	941.95
Total	1,403.42	-	-	-	1,403.42

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

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, 2020"	"As at March 31, 2019"
Mutual Funds, Equity Instruments and Venture Funds		
Net assets value – increase by 50 basis points (50 bps)	813.54	1,131.88
Net assets value – decrease by 50 basis points (50 bps)	(813.54)	(1,131.88)

Impact on other comprehensive income

Particulars	"As at March 31, 2020"	"As at March 31, 2019"
Equity instruments		
Value per share – increase by 50 basis points (50 bps)	841.41	1,117.41
Value per share – decrease by 50 basis points (50 bps)	(841.41)	(1,117.41)

47 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, 2020"	"As at March 31, 2019"
Net debt*	393.48	476.34
Net worth	63,539.09	75,626.64
Net debt to equity ratio	0.01	0.01

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

Particulars	"As at March 31, 2020"	"As at March 31, 2019"
The Board of directors at their meeting held on 26 June 2020 has proposed a final dividend of Rs. 0.50 per share for financial year 31 March 2020 (previous year: Rs. 1.50 per share) subject to approval of shareholders in annual general meeting.		
Equity shares		
Final dividend for the year ended March 31, 2020 of Rs. 5 per share (excluding tax)	83.73	251.19

**48 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	1625.79	2353.60	434.05	163.17	2059.84	2516.77
Results						
Segment Result (Before Tax & Interest)	1325.85	1695.88	342.76	112.17	1668.61	1808.05
Less :A. Interest Paid	51.56	40.78	0.00	0.00	51.56	40.78
B. Other Unallocable Expenses	297.66	273.20		0.00	297.66	273.20
	349.22	313.98	0.00	0.00	349.22	313.98
Profit Before Tax					1319.40	1494.07
Less : Income Tax					(143.38)	313.92
Profit After Tax					1462.78	1180.15
Capital Employed						
Assets	55288.37	68915.83	9602.58	8246.60	64890.95	77162.43
Unallocable Assets	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	55288.37	68915.83	9602.58	8246.60	64890.95	77162.43
Segment Liabilities	159.81	239.13	784.39	682.28	944.20	921.41
Unallocable Liabilities	407.66	614.37	0.00	0.00	407.66	614.37
Total Liabilities	567.47	853.50	784.39	682.28	1351.86	1535.78
Capital Expenditure						
Depreciation					73.40	43.67

- c) The Institute of Chartered Accountants of India has issued an Accounting Standard (AS)-28 on impairment of assets, which is mandatory for the accounting periods commencing on or after 1st April 2004. In accordance with the said standard, the company has assessed as on date of applicability of the aforesaid Standard and as well as on Balance Sheet Date, whether there are any indications (listed in paragraph 8 to 10 of the Standards) with regards to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.



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

Particulars	Amt Outstanding 31-Mar-20	Amt Overdue 31-Mar-20	Amt Outstanding 31-Mar-19	Amt Overdue 31-Mar-19
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 (Net)	0.00	82.09	0.00	0.00
b. Unsecured (Net)	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 Lease Assets including lease rentals under				
			As at 31.03.2020	As at 31.03.2019
Sundry Debtors				
1. Financial Lease (Net of Depreciation and Lease adjustment)		0.00		0.00
2. 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 Investments				
1. Quoted				
-Equity Shares		21223.04		33499.53
-Preference Shares		246.61		266.61
-Debentures & Bonds		2431.98		3508.38
-Units of Mutual Funds/Venture Funds/AIF		11995.03		18703.21
-Government Securities		154.19		154.19
Total		36050.85		56131.92
2. Unquoted				
-Equity Shares		9272.01		9306.92
-Preference Shares		4600.00		1500.00
-Debentures & Bonds		200.00		92.08
-Units of Mutual Funds/Venture Funds/AIF		1720.54		1632.96
Total		15792.55		12531.96
Grand Total		51843.40		68663.88



5. Borrower group-wise classification of assets financed as in (2) and (3) above

Particulars	Amount Net of Provisions					
	Secured 31.03.20	Secured 31.03.19	Unsecured 31.03.20	Unsecured 31.03.19	31.03.20	31.03.19
1) Related Parties						
a) Subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00
b) Companies in the Same Group	2700.00	0.00	0.00	0.00	2700.00	0.00
c) Other related parties	0.00	0.00	0.00	0.00	0.00	0.00
2) Other than related Parties	0.00	41.05	0.00	0.00	0.00	41.05
Total	2700.00	41.05	0.00	0.00	2700.00	41.05

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)	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
1) Related Parties				
a) Subsidiaries	0.00	0.00	0.00	0.00
b) Companies in the Same Group	26261.54	34016.66	15457.36	19382.06
c) Other related parties	0.00	0.00	0.00	0.00
2) Other than related Parties	25581.86	34647.22	23842.35	26720.00
Total	51843.40	68663.88	39299.71	46102.06

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	41.05
c) Assets acquired in satisfaction of debt	0.00	0.00

Note 50 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	31.03.2020	31.03.2019
i) CRAR (%)	97.93	95.48
ii) CRAR - Tier I Capital (%)	97.91	95.48
iii) CRAR - Tier II Capital (%)	0.02	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	719.71	919.84
b) Commercial Real Estate	510.35	256.75
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	2682.70	2054.91



III. Maturity Pattern of asset and liabilities (At Book Values)

	1 day to 30/31 day	Over 1 month to 2 months	Over 2 month to 3 month	Over 3 month to 6 month	Over 6 month to 1 Year	Over 1 month to 3 Year	Over 3 month to 5 Year	Over 5 Year	Total
Liabilities									
Borrowings from Banks	0.00	407.66	0.00	0.00	0.00	0.00	0.00	0.00	407.66
Market Borrowings Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advance	0.00	0.00	0.00	0.00	0.00	2700.00	0.00	0.00	2700.00
Investments	818.33	1362.70	657.46	3209.50	2009.05	6708.48	1970.94	35106.94	51843.40

Note 51 The Computation of net profit under section 198 read with section 349 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	1319.40	1494.07
Add: Managerial Remuneration	294.00	270.00
Net Profit U/S 198 of the Companies Act, 2013	<u>1613.40</u>	<u>1764.07</u>
Managerial Remuneration @ 5% of the above	80.67	88.20
Managerial Remuneration paid to Managing Director		
Salary Income	294.00	270.00
Other Perquisites	<u>0.00</u>	<u>0.00</u>
	<u>294.00</u>	<u>270.00</u>

Note : Sh. Dinesh Oswal, Managing Director, has been paid remuneration as per special Resolution approved by shareholders in the Annual General Meeting held on 30th September, 2019.

Note 52 In March 2020, World Health organization (WHO) had declared the outbreak of Novel Coronavirus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe and also fall in valuation of securities in Stock markets. However, Stock Exchanges and other Financial Markets remain operational and in compliance with the lockdown instructions issued by the Centre and State governments, the company has been doing investment activity in digital mode etc. as permitted by Financial Institutions. Company is mainly doing investment business with long term perspective and hence temporary volatility in the financial markets will have little impact. The Company is monitoring the situation closely and the overall impact on the business of the Company will depend on future developments which cannot be reliably predicted. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on the company's operations, capital and financial resources, profitability, liquidity, ability to service debt and other financial arrangements, assets, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the stock markets in Globally including India have recovered substantially and the Company has resumed its operations as allowed in Keeping with Government advisories. Since the situations are continuously evolving, the Impact assessed may be different from the estimates made as at the date of approval of these financial results and management will continue to monitor any material changes arising due to the Impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the Situation.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED
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, 2020, 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, 2020, 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.

Emphasis of Matter

We draw attention to Note 50 to the Consolidated Ind AS Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

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, 2020 (Refer to Note no.6 to the notes to the consolidated financial statements)	
<p>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.</p> <p>These included investments in quoted and unquoted equity shares, mutual funds, preference shares and tax free bonds. Investments also include investment in associate companies.</p> <p>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.</p> <p>Accordingly, investment was determined to be a key audit matter in our audit of standalone financial statements.</p>	<p>Our audit procedure included the following:</p> <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. • 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Sakshi Garg)
Partner
M.No.553997

Dated: 26.06.2020
Place : Ludhiana

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 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**(CA Sakshi Garg)
Partner
M.No.553997**

Dated: 26.06.2020

Place : Ludhiana



Consolidated Statement of Cash Flows for the year ended 31st March, 2020

	For year ended March 31, 2020	For year ended March 31, 2019
A Cash flow from operating activities		
Profit before tax	357.63	3071.77
Adjustments for:		
Depreciation and amortisation expense	73.40	43.67
Interest income on fixed deposit and financials assets measured at amortised cost	(564.06)	(269.48)
Dividend income classified as investing cash flows	(318.49)	(528.23)
Share of other comprehensive income/(loss) of Associates accounted for using equity method	739.19	(1689.43)
Impairment on financial instruments	56.96	197.31
Remeasurement gains and loss on employee benefit obligations	(1.49)	(2.28)
Fair Value gain/(loss) on Investments	293.03	(34.96)
Corporate Social Responsibility Expenses	(50.78)	(86.02)
Interest paid	51.56	40.78
Operating profit before working capital changes	636.95	743.13
Inflow/(outflow) on account of:		
Loans	(2,649.16)	(0.64)
Investments	16,861.02	4,657.77
Bank balance other than cash and cash equivalents	(799.34)	(5.06)
Inventory	222.01	(2,664.00)
Other financial assets	(138.81)	(77.15)
Other non-financial assets	19.45	2291.82
Trade and other payables	(4.24)	2.50
Short term borrowings	(88.44)	(1929.71)
Provisions	2.16	(12.61)
Other financial liability	36.99	88.66
Other non-financial liability	(14.31)	(5.03)
Cash used in operating activities post working capital changes	14,043.70	3,089.68
Income tax paid (net)	(290.88)	(209.80)
Net cash inflow from/ (used in) operating activities (A)	13,752.82	2,879.88
B Cash flows from investing activities		
Purchase of Property, plant and equipment and investment property	(883.32)	(1,816.13)
Dividend received	541.08	639.96
Fair value gain/(loss) on Investments	(293.03)	34.96
Impairment on Financial Instruments	(56.96)	(197.31)
Interest received	564.06	269.48
Investments of Equity Instruments on Other Comprehensive Income	(13,275.85)	(1,466.15)
Net cash inflow from/ (used in) investing activities (B)	(13,404.02)	(2,535.19)
C Cash flows from financing activities*		
Interest paid	(51.56)	(40.78)
Dividend paid (including tax)	(302.83)	(302.83)
Net cash inflow from/ (used in) financing activities (c)	(354.38)	(343.61)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(5.58)	1.09
Cash and cash equivalents at the beginning of the year	19.76	18.67
Cash and cash equivalents at the end of the year	14.18	19.76

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 Board of Directors of
Nahar Capital And Financial Services Limited

Sakshi Garg
Partner
M No. 553997

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 : 26th June 2020



Consolidated Balance Sheet as at 31st March, 2020

All Amount in Lakhs Rupees, unless otherwise stated

Particulars	Note No	As At 31 March, 2020	As At 31 March, 2019
ASSETS			
Financial Assets			
Cash and Cash equivalents	3	14.18	19.76
Bank Balances other than above	4	842.40	43.06
Loans	5	2,691.30	42.14
Investments	6	73,863.01	99,957.43
Others Financial Assets	7	353.65	214.84
Total Financial Assets		77,764.55	1,00,277.23
Non - Financial Assets			
Inventories	8	3,064.79	3,286.80
Current Tax Assets	9	184.83	3.24
Deferred Tax Assets	10	217.22	-
Investment Property	11	4,102.40	3,753.39
Property, Plant and Equipment	12	2.38	4.15
Capital Work in Progress	13	1,553.08	1,090.40
Other Non Financial Assets	14	21.32	40.77
Total Non Financial Assets		9,146.02	8,178.75
TOTAL		86,910.57	1,08,455.98
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			
	15	2.25	6.49
Borrowings (Other than Debt Securities)	16	407.66	496.10
Other Financial liabilities	17	908.29	871.31
Total Financial liabilities		1,318.20	1,373.90
Non-Financial liabilities			
Current Tax Liabilities (Net)	18	-	109.31
Provisions	19	4.36	2.19
Deferred Tax Liabilities	20	6,457.51	6,378.15
Other Non-Financial Liabilities	21	29.31	43.62
Total Non-Financial Liabilities		6,491.18	6,533.27
EQUITY			
Equity Share Capital	22	837.31	837.31
Other Equity	23	78,263.88	99,711.50
Total Equity		79,101.19	1,00,548.81
TOTAL		86,910.57	1,08,455.98

The accompanying notes from 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
RN 017800N

Sakshi Garg
Partner
M No. 553997

Anjali Modgil
Company Secretary

Hans Raj Kapoor
Chief Financial Officer

Dinesh Oswal
Managing Director
DIN : 00607290

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

Jawahar Lal Oswal
Chairman
DIN : 00463866

Place : Ludhiana
Date : 26th June 2020



Consolidated Statement of Profit & Loss Account for the year ending 31st March, 2020

All Amount in Lakhs Rupees, unless otherwise stated

Particulars	Note No.	For Year ended March 31, 2020	For Year ended March 31, 2019
Income			
Interest Income	24	604.60	269.47
Dividend Income	25	318.49	528.24
Rental Income	26	434.05	163.17
Net Gain On Fair Value Changes Trading Unit	27	(293.03)	34.96
Total revenue from operations (I)		1,064.11	995.84
Other income	28		
Net Gain on Fair Value Changes Main Unit		271.52	1,032.78
Net gain on Derocgnition of Financial Instruments Under Amortised Cost Category		498.72	372.69
Other Income		2.91	3.74
Total other income (II)		773.15	1,409.21
Total income (I+II)		1,837.26	2,405.05
Expenses:			
Finance Costs	29	51.56	40.78
Fees and Commission Expense	30	6.56	263.69
Impairment on Financial Instruments	31	56.96	197.31
Purchase of Stock-in-trade		-	2,664.00
Changes in Inventories of Stock-in-trade		-	(2,664.00)
Employee Benefits Expenses	32	408.52	373.47
Depreciation and Amortisation	33	73.40	43.67
Other Expenses	34	143.45	103.78
Total expenses		740.45	1,022.70
Share of Profit/(loss) of Associates accounted for using equity method		(739.19)	1,689.42
Profit before tax		357.63	3,071.77
Tax expense	35		
Current tax		45.35	392.93
Deferred tax charge		(57.24)	180.06
MAT credit utilised		-	-
Previous year income tax		-	-
Total Tax Expense		(11.90)	572.99
Net Profit for the year		369.53	2,498.78
Other comprehensive income			
A) Items that will not be reclassified to profit and loss			
Changes in fair value of FVOCI equity instruments		(13,275.85)	(1,466.15)
Remeasurements of post-employment benefit obligations		(1.49)	(2.28)
Income tax relating to items that will not be reclassified to profit or loss		80.61	94.34
Sub- total		(13,196.73)	(1,374.09)
Items that will be reclassified to profit or loss		-	-
Share of other comprehensive income/(loss) of associates accounted for using equity method		(2,545.05)	(396.21)
Total comprehensive income/(loss) for the year		(15,741.78)	(1,770.30)
Profit after tax		(15,372.25)	728.48
Earnings per equity share	36		
Equity shares of par value Rs.5 each			
Basic		2.21	14.92
Diluted		2.21	14.92

The accompanying notes from an integral part of the financial statements.
This is the Profit & Loss Account referred to in our report of even date.

For YAPL & Company
Chartered Accountants
FRN 017800N

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

Sakshi Garg
Partner
M No. 553997

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 : 26th June 2020

**Notes forming part of Financial Statement for the year ending 31st March 2020****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 and also company is doing Real Estate Business. 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 2020

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, 2020 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').

- a) The Financial statements of the Company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans-assets measured at fair value.
- b) The Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy neither to in use.
- c) The financial statements for the year ended March 31, 2020 were authorized and approved for issue by the Board of Directors on 26 June 2020.

(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.

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.

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 use 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.

The Company is liable to pay Minimum Alternate Tax ('MAT') 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.

However, whenever there is normal taxation for the company, following Accounting Policy will be followed:

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

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

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

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

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.

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.

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

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 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.

Ind AS 116 'Leases' On 30th March 2019, MCA has notified in Ind AS 116, Leases. 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 'lowvalue' assets and short term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of 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.

Lessees will be also required to measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use-asset. It has no impact on the Company.



Particulars	As at March 31, 2020	As at March 31, 2019
3 Cash and cash equivalents		
Cash in hand	0.34	0.23
Balance with banks		
- with scheduled banks in current accounts	12.54	10.41
- with scheduled banks held as PMS	1.30	9.12
	14.18	19.76
4 Bank balances other than above		
Bank Deposits with banks and NBFC's	811.39	11.39
Earmarked Balances with banks for unpaid dividends	31.01	31.67
Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date	-	-
	842.40	43.06
5 Loans		
The Company has categorised all loans at Amortised Cost in accordance with therequirements of Ind AS 109.		
Loans		
Loans repayable on demand- Stage 1	2,700.00	82.09
Loans repayable on demand- Stage 2		
Other Loans to employees	2.10	1.09
Total (A) - Gross Loans	2,702.10	83.18
Less: Standard Asset Provision-Stage 1	(10.80)	-
Less: Allowance for impairment loss for loan assets- Stage 3	-	(41.04)
Total (A) - Net Loans	2,691.30	42.14
Security Details		
Secured by tangible asset	2,700.00	82.09
Unsecured	-	1.09
Less: Allowance for impairment loss for loan assets Loans to employees	2.10	1.09
Total (B) - Gross Loans	2,702.10	83.18
Less: Standard Asset Provision	(10.80)	-
Less: Allowance for impairment loss for loan assets	-	(41.04)
Total (B) - Net Loans	2,691.30	42.14
Loans in India	2,702.10	83.18
Loans outside India	-	-
Total (B) - Gross Loans	2,702.10	83.18
Less: Allowance for impairment loss for loan assets	-	-
Less: Standard Asset Provision- Stage 1	(10.80)	(41.04)
Total (B) - Net Loans	2,691.30	42.14
5.1 Reconciliation between the figures reported under Ind-AS and actual amounts outstanding in respect of Loans:		
Net Loans	2,702.10	42.14
Add: Allowance for Expected Credit Loss netted off as per Ind-AS	(10.80)	-
Gross Loans	2,691.30	42.14


6.A. Investments at Fair Value

Particulars	Amortized Cost	Through other comprehensive income	Through profit or loss	Sub-total	At Cost	Total
As at March 31, 2020						
Investments						
A) in India						
Mutual Funds	-	-	11,408.88	11,408.88	-	11,408.88
Government securities	154.19	-	-	-	-	154.19
Debt Securities	1,522.81	-	911.58	911.58	-	2,434.39
Preference shares	4,846.61	-	-	-	-	4,846.61
Equity Instruments (Subsidiaries/Associates) - Equity Instruments	-	-	-	-	-	-
(Other Group companies) - Equity Instruments	11,238.35	-	11,238.35	-	11,238.35	-
(Others)	-	5,589.92	1,643.60	7,233.52	-	7,233.52
AIF/Venture Funds	-	-	2,306.69	2,306.69	-	2,306.69
Interest accrued	-	-	-	-	197.59	197.59
Total (A) - Net	6,523.61	16,828.27	16,270.74	33,099.02	197.59	39,820.21
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) - Equity Instruments	-	-	-	-	-	-
(Other Group companies) - Equity Instruments	-	15,068.77	-	15,068.77	-	15,068.77
(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 (A) - Net	4,638.10	22,348.17	22,637.64	44,985.81	92.08	49,715.99

6.B. Investments accounted for using equity method

Particulars	As at March 2020	As at March 2019
Investment in Associates		
Nahar Spinning Mills Limited (16,216,574 equity shares of Rs. 56.34 each) (Previous Year 10,257,384 equity shares of Rs. 59.34 each)	25371.65	24940.75
Nahar Poly Films Limited (1,2087,671 equity shares of Rs. 23.88 each)	8671.15	9605.04
Nahar Industrial Enterprises Limited (Current Year NIL (Previous Year 9,336,745 equity shares of Rs. 106.82 each)	-	15695.65
Total	34,042.80	50,241.44
Grand Total : (6A+6B)	73,863.01	99,957.43

7 Others financial assets

Others	282.40	143.95
Security deposits	71.25	70.89
	353.65	214.84

8 Inventories

Real Estate Property	3,064.79	3286.80
	3,064.79	3,286.80

9 Current tax assets (net)

Advance income tax	294.14	263.24
Less: Provision for income tax	109.31	260.00
Current tax assets (net)	184.83	3.24

10 Deferred tax assets (net)

Deferred Tax Asset	217.22	-
	217.22	-



11. Investment Property
Current Year

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April 2019	Additions	Disposal/ adjustments	As at 31 Mar 2020	As at 1 April 2019	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2020	As at 31 Mar 2020	As at 31 Mar 2019
Buildings	3,825.58	287.84	-	4,113.42	72.19	65.03	-	137.22	3,976.20	3,753.39
Furniture	-	132.71	-	132.71	-	6.51	-	6.51	126.20	-
	3,825.58	420.55	-	4,246.13	72.19	71.54	-	143.73	4,102.40	3,753.39

Previous Year

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April 2018	Additions	Disposal/ adjustments	As at 31 Mar 2019	As at 1 April 2018	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2019	As at 31 Mar 2019	As at 31 Mar 2018
Buildings	2,009.94	18,15.64	-	3,825.58	30.52	41.67	-	72.19	3,753.39	1,979.42
	2,009.94	18,15.64	-	3,825.58	30.52	41.67	-	72.19	3,753.39	1,979.42

11.1 Fair Value of Investment Property

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying Value	4,102.40	3,753.39
Fair Value	4,102.40	3,753.39

The Company obtains independent valuations for its investment properties at least manually. 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.

12. Property, plant and equipment
Current Year

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April 2019	Additions	Disposal/ adjustments	As at 31 Mar 2020	As at 1 April 2019	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2020	As at 31 Mar 2020	As at 31 Mar 2019
vehicle	11.57	-	-	11.57	8.56	1.43	-	9.99	1.58	3.01
Office Equipment	3.65	0.08	-	3.74	2.51	0.43	-	2.94	0.80	1.15
Total	15.23	0.08	-	15.31	11.07	1.86	-	12.93	2.38	4.15

Previous Year

Particulars	Gross block			Depreciation				Net Block		
	As at 1 April 2018	Additions	Disposal/ adjustments	As at 31 Mar 2019	As at 1 April 2018	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2019	As at 31 Mar 2019	As at 31 Mar 2018
vehicle	11.57	-	-	11.57	7.14	1.43	-	8.56	3.01	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

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

12.1 in the opinion of management, these are no events or change 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.

12.2 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 borrowing for the Company in terms of Ind AS 23' Borrowing Costs'.



Particulars	As at March 31, 2020	As at March 31, 2019
13 Capital Work in Progress		
Advance Against Property	-	-
Capital Advance	1,553.08	1,090.40
	1,553.08	1,090.40
14 Other non financial assets		
Balance with government authorities	9.51	39.52
Prepaid expenses	11.81	1.25
	21.32	40.77
15 Trade payables		
Total outstanding dues of MSMED's	-	-
Total outstanding dues of creditors other than MSMED's	2.25	6.49
	2.25	6.49
16 Borrowings		
Secured loans		
Overdraft facility against investments	407.66	496.10
Total (A)	407.66	496.10
Borrowings in India	407.66	496.10
Borrowings outside India	-	-
Total (B)	407.66	496.10
17 Other Financial liabilities		
Security deposits	173.72	104.62
Advance against asset held for sale	600.00	600.00
Payable to employees	18.50	27.31
Unpaid dividend	31.02	31.67
Expenses payables	5.21	27.47
Other payables	79.84	80.24
	908.29	871.31
18 Current tax liabilities (net)		
Minimum alternate tax payable (net)	-	109.31
	-	109.31
19 Provisions		
Provisions for compensated absences(LWW)	0.79	0.61
Gratuity Payable	3.57	1.58
	4.36	2.19
20 Deferred tax liabilities (net)		
Deferred Tax liabilities recognised on account of: Investment measured at fair value through p & L	6,457.51	6,378.15
	6,457.51	6,378.15
21 Other non-financial liabilities		
Statutory dues	16.59	21.84
Deferred income	12.72	21.78
	29.31	43.62


22 Equity Share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised equity share capital		
30,000,000 (Previous year : 30,000,000) equity shares of RS 5 each	1500.00	1500.00
	1500.00	1500.00
Issued, subscribed and paid up equity share capital		
16,746,167 (Previous year : 16,746,167) equity shares of Rs 5 each	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.

Equity shares	31.03.2020		31.03.2019	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	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

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

Particulars	31.03.2020		31.03.2019	
	No. of shares	Percentage	No. of shares	Percentage
Nahar Polyfilms Ltd	66.12	39.48%	66.12	39.48%
Abhilash Oswal	13.38	7.99%	0.16	0.10%
Sakshewar Holding Company Limited	26.00	15.52%	1.52	0.91%
Nahar Industrial Enterprises Ltd	-	0.00%	13.63	8.14%
Oswal Woollen Mills Ltd	-	0.00%	13.22	7.90%

23. Other Equity

Particulars	" As at 31 March 2020"	" As at 31 March 2019"
(a) SECURITIES PREMIUM ACCOUNT		
Opening Balance	12,591.71	12,591.71
Add: Additions during the year	-	-
Balance at the year end	12591.71	12591.71
(b) GENERAL RESERVE		
Opening Balance	33,321.15	33,321.15
Add: Additions during the year	-	-
Balance at the year end	33,321.15	33,321.15
(c) CSR EXPENDITURE RESERVE		
Opening Balance	50.78	-
Add: Additions during the year	51.94	50.78
Less: Used during the year	(50.78)	-
Balance at the year end	51.94	50.78
(d) STATUTORY RESERVE FUND		
Opening Balance	5,146.46	4,886.46
Add: Additions during the year	-	260.00
Balance at the year end	5,146.46	5,146.46
(e) RETAINED EARNINGS		
Opening Balance	34,083.86	32,106.64
Profit for the year	369.53	2,498.78
Remeasurements gain on post employment benefits for year OCI	79.12	92.05
Less: Share of Reserves Reversed due to sale of associate shares	(5,831.30)	-
Dividends	(251.19)	(251.19)
Dividend Distribution Tax	(51.63)	(51.63)
Transfer to CSR Reserve	(51.94)	(310.78)
Balance at the year end	28,346.44	34,083.86
(f) Other Comprehensive Income		
Opening Balance	14,517.52	16,379.87
Other Comprehensive Income for the year (Net of Tax)	(15,741.78)	(1,770.30)
Less: Share of OCI Reversed due to sale of associate shares	109.55	-
	(1,193.83)	14517.52
Total Other Equity(a+b+c+d+e+f)	78,263.88	99,711.50



23.1 General reserve

The Company has not transferred any portion of the net profit to general reserve due to current year losses. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

23.2 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.

23.3 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. Accordingly, during the year, the Company has created Statutory Reserve Fund amounting to `Rs. 51.94 Lakhs (March 31, 2020)

23.4 Retained earnings

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

23.5 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. The Company has not created Statutory Reserve Fund due to loss during the year.

23.6 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.

24 Interest income

Particulars	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	On Financial Assets measured at Amortised Cost	Interest income on financial assets classified at FVTPL	On Financial Assets measured at Amortised Cost	Interest income on financial assets classified at FVTPL
Interest on loan assets	249.87	-	27.38	-
Interest on deposits with banks	55.27	-	0.55	-
Interest from alternate investments funds	-	132.50	-	80.47
Interest from bonds and debentures+tax free amt	166.96	-	157.01	-
Other interest income	0.00	-	4.06	-
	472.10	132.50	189.00	80.47
	604.60		269.47	

Particulars	As at 31 March 2020	As at 31 March 2019
25 Dividend income		
Dividends from associate companies	-	-
Dividends from other investments	318.49	528.23
	318.49	528.23
26 Rental Income		
Rental Income	434.05	163.17
	434.05	163.17



27 Net gain on fair value changes Trading Unit

Net gain on financial instruments at fair value through profit or loss			
(i) On trading portfolio			
- Investments	-	-	
- Mutual Funds	-	-	
- Others	(298.04)	52.26	
(ii) On financial instruments designated at fair value through profit or loss	5.02	(17.30)	
Total Net gain on fair value changes	(293.03)	34.96	

Total Net gain on fair value changes [A+B]

Fair Value Changes:			
-Realised	(298.03)	34.96	
-Unrealised	-	-	
Total Net gain on fair value changes	(293.03)	34.96	

28 Other income

Net gain on fair value changes on main investment unit	271.52	1,032.78
Net gain on derecognition of financial instruments under amortised cost category	498.72	372.68
Other income		
-Miscellaneous income	2.91	3.75
Total other income	773.15	1,409.21

29 Finance cost

(On Financial liabilities measured at Amortised Cost)			
Interest on borrowings	50.87	35.11	
Other interest expense	0.69	5.67	
	51.56	40.78	

30 Fees and commission expenses

Fees and other charges	6.56	263.69
	6.56	263.69

31 Impairment on financial instruments

Particulars	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	On Financial Assetson measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assetson measured at fair value through OCI	On Financial Assets measured at Amortised Cost
Impairment on loan assets	(41.05)	0.00	0.00	0.00
Investments	0.00	0.00	104.00	0.00
Others (Preference Shares Diminution)	98.00	0.00	0.00	93.31
	56.96	0.00	104.00	93.31

32 Employee benefits expenses

Salaries, wages and bonus	396.14	369.16
Contribution to provident fund and other funds	7.93	4.26
Staff welfare expense	4.45	0.05
	408.52	373.47

33 Depreciation and amortisation

Depreciaion on tangible assets and investment properties	73.40	43.67
	73.40	43.67

**34 Other expenses**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	0.98	0.69
Rental expense	3.36	3.25
R&M building	16.41	8.06
Rates and taxes	16.15	6.98
Insurance charges	2.43	1.33
Legal and professional charges	63.25	63.40
Travelling and conveyance	4.08	3.55
Vehicle running and maintenance	0.81	0.92
Payment to auditors	1.22	0.82
Communication expenses	1.58	1.66
Director sitting fees	3.66	3.20
Printing & Stationery	2.64	2.75
AGM Expenses	0.48	0.44
STT	3.21	1.45
Donation	0.73	0.70
Bank charges	0.10	-
Miscellaneous expenses	22.36	4.58
	143.45	103.78

35 Tax expense

A (i) Current tax	-	392.93
(ii)Deferred Tax charge/(Credit)Minimum alternate tax credit entitlement	(57.24)	180.06
(iii)Tax-earlier years	-	-
	(57.24)	572.99

Reconciliation of tax expense between**Accounting profit at applicable tax rate and effective tax rate :**

Accounting profit before income tax	357.63	3,071.78
Statutory income tax rate	29.12%	29.12%
Tax expense at statutory income tax rate (A)	104.14	894.50

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)
(ii)Income exempted from tax	-	(235.14)
(iii)Tax impact of expenditure allowed on payment basis	-	44.34
(iv)Unrecognised tax assets	-	(28.95)
(v)Adjustments for current tax of prior periods	-	-
(vi)Minimum alternate tax (MAT) credit not created	(111.33)	315.80
(vii)Minimum alternate tax (MAT) impact on transition to Ind AS	-	109.30
(viii)Reversal of Deferred tax created on transition to Ind AS	(50.06)	(50.06)
(ix) Tax effect on jb profit and OCI accounted for using equity method	(239.89)	-
(x)Others	-	0.67
Total (B)	(161.39)	(321.51)

Income tax expense at effective tax rate reported in the Statement of Profit & Loss (A+B)	(57.24)	572.99
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36 Earning per share

Net profit attributable to equity shareholders		
Net profit/(Loss) for the year	369.53	2,498.78
Par value per share	5.00	5.00
Weighted average number of Equity SharesTotal	167.46	167.46
number of equity shares outstanding as the beginning of the year		
Earnings per share - Basic and diluted	2.21	14.92



37 Corporate social responsibility expenses

Direct expenditure	-	-
Overheads expenditure	-	-

37.1 Disclosure in respect of Corporate social responsibility expenses :

(a) Gross Amount required to be spent by the Company during the year 2019-20 is Rs. 51.94 Lakhs (Previous year Rs. 50.78 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	51.94	50.78
	51.94	136.79

(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. 51.94 Lakhs (Rs. fifty lakh one lakh ninety four thousand only) has been set apart towards CSR activity reserve.

38 Employee benefit obligations

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

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Defined Benefit Plans - Post-Employment Benefits		
Gratuity	59.40	52.08
(B) Other long term employee benefits		
Leave encashment	N.A.	N.A.
TOTAL	59.40	52.08

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, 2020	March 31, 2019
Current service cost (net)	2.06	1.55
Net Interest cost /(Income)	0.02	0.43
Net impact on profit (before tax)	2.08	1.98
Actuarial loss/(gain) recognised during the year		
Amount recognised in total comprehensive income	2.08	1.98

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

Description	March 31, 2020	March 31, 2019
Present value of defined benefit obligation as at the beginning of the year	52.08	45.75
Interest cost	3.54	3.62
Service cost	2.06	1.55
Benefits paid	-	(1.05)
Actuarial loss/(gain)	1.72	2.21
Present value of defined benefit obligation as at the end of the year	59.40	52.08

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

Description	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the period	50.50	32.29
Actual return on plan assets	0.23	(0.07)
Employer Contribution	2.46	16.14
Interest Income on plan assets	3.52	3.19
Benefits paid	-	(1.05)
Actuarial gain	-	-
Fair value of plan assets at the end of the period	56.71	50.50

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

Description	March 31, 2020	March 31, 2019
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	-	-

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

Description	March 31, 2020	March 31, 2019
Actuarial (gain)/loss from change in demographic assumption	-	2.17
Actuarial (gain)/loss from change in financial assumption	0.75	1.78
Actuarial (gain)/loss from experience adjustment	0.97	(1.74)
Total actuarial (gain)/loss	1.72	2.21

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

Description	March 31, 2020	March 31, 2019
Discount rate	5.60%	6.80%
Rate of salary increase	0.00%	7.00%
Expected rate of return on plan assets	N.A.	N.A.
Retirement age	58 years	58 years
Average past service	10.48 years	9.68 years
Average age	44.75 years	45.05 years
Average remaining working life	N.A.	N.A.
Withdrawal/Attrition rate		
Up to 30 Years	10.00%	10.00%
From 31 to 44 years	N.A.	N.A.
Above 44 years	N.A.	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.



Description	March 31, 2020	March 31, 2019
a) Impact of change in discount rate		
Present value of obligation at the end of the year	5.60%	6.80%
- Impact due to increase of 0.50 %	-0.88%	-0.76%
- Impact due to decrease of 0.50 %	0.92%	0.81%
b) Impact of change in salary/cost increase		
Present value of obligation at the end of the year	7.00%	7.00%
- Impact due to increase of 0.50 %	0.56%	0.47%
- Impact due to decrease of 0.50 %	-0.46%	-0.45%
c) Impact of change in withdrawal rate		
Withdrawal rate as on 31 March, 2019	10.00%	10.00%
-Effect on DBO due to 5% increase in withdrawal rate	-0.08%	0.42%
-Effect on DBO due to 5% decrease in withdrawal rate	0.26%	-0.51%

"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, 2020	March 31, 2019
Within next 12 months	25.41	20.90
Between 1-5 years	30.91	21.49
Beyond 5 years	10.86	21.27
	67.18	63.66

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, 2020	March 31, 2019
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)	-	-

Post Employment Benefit of KMP's

Name of KMP	Date of Joining	DBO as at 31.03.2020	DBO as at 31.03.2019
Mr. Dinesh Oswal	01.04.2009	20.00	20.00
Mr. Hans Raj Kapoor	08.11.1984 (In Nahar Group)	18.16	16.66
Mrs. Anjali Moudgil	23.07.2014	1.14	0.95

39. Related Party Disclosure

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 :

39.1 List of related parties and disclosures

Description of relationship	Names of related parties
Associate Companies	Nahar Poly Films Limited, Nahar Spinning Mills Limited
The Entities on which KMP has significant influence	Oswal Woollen Mills Limited, Oswal Foundation, Atam Vallabh Financiers Limited, Nahar Growth Fund Pvt. Ltd., Kovalam Investment and Trading Co. Ltd., Vanaik Investors Ltd., Vardhman Investment Ltd., J.L.Growth Fund Ltd., Ruchika Growth Fund P. Ltd., Abhilash Growth Fund P. Ltd., Monica Growth Fund P. Ltd., Vanaik Spinning Mills Ltd., Neha Credit and Investment P. Ltd., Bermuda Insurance Brokers P. Ltd. Nagdevi Trading and Investment Co. Ltd.,


Key Managerial Personnel and their relatives:

Name of Key Managerial Personnel	Designation
Mr. Dinesh Oswal	Managing Director
Mr. Hans Raj Kapoor	Chief Financial Officer
Mrs. Anjali Moudgil	Company Secretary
Promoters/Directors	
Mr. Jawahar Lal Oswal	Chairman
Mr. Kamal Oswal	Director
Mr. Dinesh Gogna	Director
Mr. Satish Kumar Sharma	Director
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

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

Nature of Related Parties	Nature of transaction	As at 31st March, 2020	As at 31st March, 2019
Mr. Dinesh Oswal	Remuneration	294.00	270.00
Promoters/Directors	Sitting Fee	1.88	3.20
Nahar Spinning Mills Limited	Rent paid	2.69	2.58
	Reimbursement of Expenses	19.16	152.57
	Loan Paid	2700.00	575.00
	Interest Received	224.31	12.81
	Other	89.02	0.00
Nahar Poly Films Limited	Loan paid	-	785.00
	Interest Received	-	7.13
Oswal Woollen Mills Limited	Rent Paid	0.67	0.67
	Reimbursement of Expenses	0.18	0.45
Atam Vallabh Financiers Limited	Equity Investment Purchased	92.17	0.00
	Equity Investment Purchased	62.25	0.00
	Equity Investment Sold	201.41	0.00
Nahar Growth Fund Pvt. Ltd.	Equity Investment Purchased	112.62	0.00
	Equity Investment Sold	0.00	0.00
Kovalam Investment And Trading CO. Ltd.	Equity Investment Purchased	400.23	0.00
	Equity Investment Sold	1027.74	0.00
Vanaik Investors Ltd.	Equity Investment Purchased	1137.51	0.00
	Equity Investment Sold	441.97	0.00
Vardhman Investment Ltd.	Equity Investment Purchased	61.82	0.00
	Equity Investment Sold	369.61	0.00
J.L.Growth Fund P. Ltd.	Equity Investment Purchased	174.03	0.00
	Equity Investment Sold	299.99	0.00
Ruchika Growth Fund P. Ltd.	Equity Investment Purchased	58.38	0.00
	Equity Investment Sold	0.00	0.00
Abhilash Growth Fund P. Ltd.	Equity Investment Purchased	97.43	0.00
	Equity Investment Sold	0.00	0.00
Monica Growth Fund P. Ltd.	Equity Investment Purchased	57.88	0.00
	Equity Investment Sold	0.00	0.00
Vanaik Spinning Mills Limited	Equity Investment Purchased	43.31	0.00
	Equity Investment Sold	0.00	0.00
Neha Credit And Investment P. Ltd.	Equity Investment Purchased	26.60	0.00
	Equity Investment Sold	0.00	0.00
Bermuda Insurance Brokers P. Ltd.	Equity Investment Purchased	10.52	0.00
	Equity Investment Sold	0.00	0.00
Nagdevi Trading And Investment Co. Ltd.	Equity Investment Purchased	627.77	0.00
	Equity Investment Sold	0.00	0.00



Note : Salary paid to Chief Financial Officer and Company Secretary is shown in the Director's Report and is not included in the above list of transactions.

39.3 Key management personnel remuneration includes the following expenses:

Name of related party	As at 31st March, 2020 (Rs. in Lakhs)	As at 31st March, 2020 (Rs. in Lakhs)
Short Term employee benefits		
Managerial Remuneration		
Paid to Mr. Dinesh Oswal	294.00	270.00
Director Sitting Fee		
Mr. Jawahar Lal Oswal	0.47	0.40
Mr. Kamal Oswal	0.47	0.40
Mr. Dinesh Gogna	0.47	0.40
Mr. Satish Kumar Sharma	0.47	0.40
Total Remuneration	295.88	271.60

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.

39.4. Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of Balance	As at 31st March, 2020	As at 31st March, 2020
Nahar Spinning Mills Limited	Other Payable	-	2.70
Oswal Woollen Mills Limited	Other Payable	0.91	0.79
Mr. Dinesh Oswal	Remuneration Payable	11.57	15.20

40 Commitments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contingent Liabilities 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	1,018.47	2,045.77
(ii) Other commitments		
- Demand of Income Tax Payable for A.Y. 2013-2014 & 2015-2016 Contested by Company	29.67	29.67
	1,048.14	2,075.44

41 Assets pledged as security

The carrying amounts of assets pledged as security are:

Particulars	31 March 2020	31 March 2019
Investments	6,851.21	4,455.08
Total assets pledged as security	6,851.21	4,455.08

42 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) March 31 2020	Borrowings (other than debt securities) March 31 2020
Opening	496.10	2,425.82
Cash flows:		
- Repayment of borrowings	88.44	1,929.72
- Proceeds of borrowings	-	-
- Foreign exchange	-	-
Non cash:		
- Fair value	-	-
Impairment on financial instrument		
- Others	-	-
Closing	407.66	496.10



43 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, 2020		March 31, 2019	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	14.18	-	19.76	-
Bank balances other than above	31.02	811.39	31.67	11.39
Loans	2.10	2,689.20	1.09	41.05
Investments	8,057.04	65,805.97	3,321.45	96,635.99
Other financial assets	282.40	71.25	143.95	70.89
	8,386.74	69,377.80	3,517.93	96,759.31
Non Financial assets				
Inventories	3,064.79	-	3,286.80	-
Current tax assets (net)	-	184.83	-	3.24
Deferred tax assets (net)	217.22	-	-	-
Investment property	-	4,102.40	-	3,753.39
Capital Work in Progress	-	1,553.08	-	1,090.40
Property, plant and equipment	-	2.38	-	4.15
Other non financial assets	21.32	-	40.77	-
	3,303.33	5,842.69	3,327.57	4,851.18
TOTAL	11,690.08	75,220.49	6,845.50	1,01,610.49
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
Trade Payables				
(i) total outstanding dues of MSMEs	-	-	-	-
(ii) total outstanding dues of creditors other than MSMEs	2.25	-	6.49	-
Debt securities	-	-	-	496.10
Borrowings (other than debt securities)	-	407.66	-	-
Subordinated liabilities	-	-	-	-
Other financial liabilities	103.56	804.74	135.02	736.29
	105.80	1,212.40	141.51	1,232.39
Non Financial Liabilities				
Current tax liabilities (net)	-	-	109.31	-
Provisions	4.36	-	2.19	-
Deferred tax liabilities (net)	6,457.52	-	6,378.16	-
Other non financial liabilities	16.59	12.72	21.84	21.78
	6,478.46	12.72	6,511.50	21.78
Total	6,584.26	1,225.12	6,653.01	1,254.17
NET	5,105.81	73,995.37	192.50	1,00,356.32



44 Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2020	As at March 31, 2020
Financial assets measured at fair value			
Investments* measured at			
(i) Fair value through other comprehensive income	Note - 6	16828.27	22348.17
(ii) Fair value through profit and loss	Note - 6	16270.74	22637.64
Financial assets measured at amortised cost			
Investments*	Note - 6	6523.61	4638.10
Cash and cash equivalents	Note - 3	14.18	19.76
Bank balances other than above	Note - 4	842.40	43.06
Loans	Note - 5	(2.10)	1.09
Other financial assets	Note - 7	353.65	214.84
Total		40830.76	49902.67

Financial liabilities measured at amortised cost			
Trade payables	Note - 13	2.25	6.49
Borrowings (other than debt securities but including interest accrued)	Note - 14	407.66	496.10
Other financial liabilities	Note - 15	908.30	870.59
Total		1,318.20	1,373.18

* 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).

B1. Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through other comprehensive income				
Quoted equity investments	7,556.26	-	-	7,556.26
Unquoted equity investments	-	-	9,272.01	9,272.01
Investments at fair value through profit and loss				
Mutual funds	11,408.88	-	-	11,408.88
Venture capital funds and alternative investment funds	-	-	2,306.69	2,306.69

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
Unquoted equity investments	-	-	9,306.92	9,306.92
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



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.

45. 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 2018"	Purchases	Sales	Issuance	Net interest income/(loss) 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	-	-	-	-	34.20	9,306.92
Total investments	11,515.50	693.48	(245.89)	-	134.18	34.20	12,131.47

Particulars	"As at 1 April 2019"	Purchases	Sales	Issuance	Net interest income/(loss) and other income/(loss)	Other comprehensive income	As at 31 March 2020
Investment in Venture Funds	2,824.55	317.50	(661.32)	-	(174.05)	-	2,306.69
Investment in Equity instruments	9,306.92	-	(0.34)	-	-	(34.57)	9,272.01
Total investments	12,131.47	317.50	(661.66)	-	(174.05)	(34.57)	11,578.70

Sensitivity analysis

Description	As at March 31, 2020	As at March 31, 2019
Impact on fair value if change in earnings growth rate		
- Impact due to increase of 5%	(578.94)	(452.36)
- Impact due to decrease of 5%	578.94	452.36

The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019:

Particulars	
"As at March 31, 2018"	10,790.48
Gain/(loss) recognised in other comprehensive income	(1,466.15)
"As at March 31, 2019"	9,324.33
Gain/(loss) recognised in other comprehensive income	(13,275.85)
"As at March 31, 2020"	(3,951.52)

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, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	14.18	14.18	19.76	19.76
Bank balances other than above	842.40	842.40	43.06	43.06
Loans	2691.30	2691.30	42.14	42.14
Investments	6523.61	6816.29	4638.10	5281.81
Other financial assets	353.65	353.65	214.84	214.84
Total	10425.14	9861.23	4957.90	5538.79
Financial liabilities				
Trade payables	2.25	2.25	6.49	6.49
Borrowings	407.66	407.66	496.10	496.10
Other financial liabilities	908.30	908.30	870.59	870.59
Total	1318.20	1318.20	1373.18	1373.18

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.

46. Financial risk management

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 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, 2020	As at March 31, 2019
(i) Low credit risk - Stage 1		
Cash and cash equivalents	14.18	19.76
Bank balances other than above	842.40	43.06
Loans	2691.30	-
Investments	6523.61	4638.10
Security deposits	71.25	70.89
Other financial assets	353.65	214.84
(ii) Moderate credit risk - Stage 2		
Loans	-	-
(iii) High credit risk - Stage 3		
Loans	-	83.18

* 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.

Trade receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.



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.

Credit risk exposure

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, 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying Amount net of impairment provision
Cash and cash equivalents	14.18	-	14.18
Bank balances other than above	842.40	-	842.40
Investments	6,523.61	-	6,523.61
Security deposits	71.25	-	71.25
Other financial assets	353.65	-	353.65

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

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 2020	As at 31 March 2019
Gross loans in respect of borrower's where no specific default has occurred	2,700.00	-
Expected loss rate	-	50%
Loans due from borrowers where specific default has occurred	-	82.09
Expected credit loss (loss allowance provision)	-	-41.05
Gross carrying amount	2,700.00	41.05

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 2020	As at 31 March 2019
- Expiring within one year	4,392.34	2,503.90
- Expiring beyond one year	-	-
Total	4,392.34	2,503.90

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, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings other than debt securities including interest	459.22	-	-	-	459.22
Trade payables	2.25	-	-	-	2.25
Other financial liabilities	941.95	-	-	-	941.95
Total	1,403.42	-	-	-	1,403.42

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

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, 2020"	"As at March 31, 2019"
Mutual Funds, Equity Instruments and Venture Funds		
Net assets value – increase by 50 basis points (50 bps)	813.54	1,131.88
Net assets value – decrease by 50 basis points (50 bps)	(813.54)	(1,131.88)

Impact on other comprehensive income

Particulars	"As at March 31, 2020"	"As at March 31, 2019"
Equity instruments		
Value per share – increase by 50 basis points (50 bps)	841.41	1,117.41
Value per share – decrease by 50 basis points (50 bps)	(841.41)	(1,117.41)

47 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, 2020"	"As at March 31, 2019"
Net debt*	393.48	476.34
Net worth	63,539.09	75,626.64
Net debt to equity ratio	0.01	0.01

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

Particulars	"As at March 31, 2020"	"As at March 31, 2019"
The Board of directors at their meeting held on 26 June 2020 has proposed a final dividend of Rs.0.50 per share for financial year 31 March 2020 (previous year: Rs. 1.50 per share) subject to approval of shareholders in annual general meeting.		
(i) Equity shares		
Final dividend for the year ended March 31, 2020 of Rs. 5 per share (excluding tax)	83.73	251.19


48. Interests in Associates

Set out below is the details of Associates of the group as at 31 March 2020. 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 entity	Principal activities	% Equity Interest 31.03.2020	% Equity Interest 31.03.2019	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Nahar Spinning Mills Limited	Manufacturing	44.96%	28.44%	Associate	Equity Method
Nahar Poly Films Limited	Manufacturing	49.16%	49.16%	Associate	Equity Method
Nahar Industrial Enterprises Limited	Textiles and Sugar	0.00%	23.44%	Non -Associate	Equity Method

Nahar Spinning Mills Limited		
	March 31, 2020	March 31, 2019
Summarised Balance Sheet		
Current assets		
Cash and cash equivalents	371.26	118.70
Other assets	107200.11	106793.15
Total current assets	107571.37	106911.85
Total non-current assets	82978.76	83520.81
Current liabilities		
Financial liabilities	77167.98	85511.89
Other liabilities	8498.22	8145.97
Total current liabilities	85666.20	93657.86
Non-current liabilities		
Financial liabilities	16902.12	6079.47
Other liabilities	580.41	2999.16
Total non-current liabilities	17482.54	9078.63
Net assets	81913.59	87696.18

Nahar Poly Films Limited		
	March 31, 2020	March 31, 2019
Summarised statement of profit and loss		
Revenue	208998.14	231785.01
Profit/(loss) for the year	(5,456.35)	6277.46
Total comprehensive profit/(loss)	(5,456.35)	6277.46
Reconciliation to carrying amounts		
Opening net assets	87696.18	81855.23
Loss for the year	(5,456.35)	6277.46
Less: Dividend distributed	-	(180.33)
Less: Dividend distribution tax	-	(37.07)
Less: Corporate social responsibility expense paid	-	(279.52)
Less: Adjustment of Income Tax earlier Years	108.55	60.40
Closing net assets	81913.59	87696.18
Group's share in %	44.96%	28.44%
Group's share in Indian Rupees	36828.35	24940.79

Nahar Poly Films Limited		
	March 31, 2020	March 31, 2019
Summarised Balance Sheet		
Current assets		
Cash and cash equivalents	35.37	100.36
Other assets	7198.51	4366.81
Total current assets	7233.88	4467.17
Total non-current assets	11779.21	16134.58
Current liabilities		
Financial liabilities	1310.37	756.26
Other liabilities	64.09	307.08
Total current liabilities	1374.46	1063.34
Non-current liabilities		
Financial liabilities	-	-
Other liabilities	-	-
Total non-current liabilities	-	-
Net assets	17638.63	19538.41



Nahar Poly Films Limited		
	March 31, 2020	March 31, 2019
Summarised statement of profit and loss		
Revenue	28210.45	26810.30
Profit/(loss) for the year	(1,751.57)	444.89
Total comprehensive profit/(loss)	(1,751.57)	444.89
Reconciliation to carrying amounts		
Opening net assets	19538.41	19279.86
Loss for the year	(1,751.57)	444.89
Less: Dividend distributed	(122.94)	(122.94)
Less: Dividend distribution tax	(25.27)	(25.27)
Less: Corporate social responsibility expense paid	-	(38.13)
Less: Adjustment of Income Tax earlier Years	-	-
Closing net assets	17638.63	19538.41
Group's share in %	49.16%	49.16%
Group's share in Indian Rupees	8671.15	9605.08

49 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	1403.21	2241.88	434.05	163.17	1837.26	2405.05
Results						
Segment Result (Before Tax & Interest)	1103.28	1584.15	342.76	112.17	1446.04	1696.32
Less :A. Interest Paid	51.56	40.78	0.00	0.00	51.56	40.78
B. Other Unallocable Expenses	297.66	273.20	0.00	0.00	297.66	273.20
	349.22	313.98	0.00	0.00	349.22	313.98
Profit Before Tax					1096.82	1382.34
Less : Income Tax					(11.90)	572.99
Profit After Tax					1108.72	809.35
Profit from associate					(739.19)	1689.43
Total Profit/(loss) for the period/year					369.53	2498.78
Capital Employed						
Assets	76796.65	100209.38	10113.92	8246.60	86910.57	108455.98
Unallocable Assets	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	76796.65	100209.38	10113.92	8246.60	86910.57	108455.98
Segment Liabilities	159.81	239.14	784.39	682.28	944.20	921.42
Unallocable Liabilities	6865.18	3969.24	0.00	0.00	6865.18	3969.24
Total Liabilities	7024.99	4208.38	784.39	682.28	7809.38	4890.66
Capital Expenditure						
Depreciation					73.40	43.67

- c) The Institute of Chartered Accountants of India has issued an Accounting Standard (AS)-28 on impairment of assets, which is mandatory for the accounting periods commencing on or after 1st April 2004. In accordance with the said standard, the company has assessed as on date of applicability of the aforesaid Standard and as well as on Balance Sheet Date, whether there are any indications (listed in paragraph 8 to 10 of the Standards) with regards to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.

Note 50 In March 2020, World Health organization (WHO) had declared the outbreak of Novel Coronavirus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe and also fall in valuation of securities in Stock markets. However, Stock Exchanges and other Financial Markets remain operational and in compliance with the lockdown instructions issued by the Centre and State governments, the company has been doing investment activity in digital mode etc. as permitted by Financial Institutions. Company is mainly doing investment business with long term perspective and hence temporary volatility in the financial markets will have little impact. The Company is monitoring the situation closely and the overall impact on the business of the Company will depend on future developments which cannot be reliably predicted. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on the company's operations, capital and financial resources, profitability, liquidity, ability to service debt and other financial arrangements, assets, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the stock markets in Globally including India have recovered substantially and the Company has resumed its operations as allowed in Keeping with Government advisories. Since the situations are continuously evolving, the Impact assessed may be different from the estimates made as at the date of approval of these financial results and management will continue to monitor any material changes arising due to the Impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the Situation.



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
1 Latest Audited Balance Sheet Date	31.03.2020	31.03.2020
2 Shares of Associate/Joint Ventures held by the Company on the Year End		
No. of Shares	16216574	12087671
Amount of Investment in Associates/Joint Venture (Rs. In Laks)	9136.33	2886.85
Extend of Holding %	44.96%	49.16%
3 Description of how there is significant influence	More than 20% Shareholding held by company	More than 20% Share holding held by company
4 Reason why the associate/joint venture is not consolidated	N.A.	N.A.
5 Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In Laks)	36828.35	8671.15
6 Profit/Loss for the year (After)		
i. Considered in Consolidation	(2453.17)	(861.07)
ii. Not Considered in Consolidation (Rs. In Laks)	(3003.18)	(890.50)

As per our Report of even date annexed

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

Sakshi Garg
Partner
M No. 553997

Anjali Modgil
Company Secretary

Hans Raj Kapoor
Chief Financial Officer

Dinesh Oswal
Managing Director
DIN : 00607290

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

Jawahar Lal Oswal
Chairman
DIN : 00463866

Place : Ludhiana
Date : 26th June 2020



*Glimpse of CSR Project
undertaken by
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