



The Nahar Group

**17<sup>th</sup>**

**Annual Report  
2021-22**



Capital and Financial Services Ltd.

## BOARD OF DIRECTORS

Mr. Jawahar Lal Oswal	Chairman
Mr. Dinesh Oswal	Managing Director
Mr. Kamal Oswal	Director
Mr. Dinesh Gogna	Director
Mr. Satish Kumar Sharma	Director
Dr. Manisha Gupta	Independent Director
Dr. Suresh Kumar Singla	Independent Director
Dr. Amrik Singh Sohi	Independent Director
Dr. Vijay Asdhir	Independent Director
Dr. Roshan Lal Behl	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

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

17TH ANNUAL GENERAL MEETING	CONTENTS	PAGE NO.
<b>Day</b> : Wednesday	NOTICE	1
<b>Date</b> : 24th August, 2022	DIRECTORS' REPORT	18
<b>Time</b> : 12.30 p.m.	CORPORATE GOVERNANCE REPORT	34
<b>Mode</b> : Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	MANAGEMENT DISCUSSION & ANALYSIS REPORT	50
	INDEPENDENT AUDITORS' REPORT	68
	STANDALONE FINANCIAL STATEMENTS	76
	CONSOLIDATED INDEPENDENT AUDITORS' REPORT	114
	CONSOLIDATED FINANCIAL STATEMENTS	119

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE **17<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)** of the members of **NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED (“the Company”)** will be held on **Wednesday, the 24th day of August, 2022 at 12.30 pm** through Video Conferencing / Other Audio Visual Means to transact the following businesses:

**ORDINARY BUSINESS:****ITEM NO. 1-ADOPTION OF FINANCIAL STATEMENTS**

- i. To consider and adopt the Standalone Financial Statements of the Company for the financial year ended 31st March, 2022 and the Reports of the Board of Directors and Auditors thereon.
- ii. To consider and adopt the Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 and the Reports of the Auditors thereon.

**ITEM NO. 2-CONFIRMATION AND DECLARATION OF DIVIDEND**

To confirm Interim Dividend of Rs. 1.50/- per Equity Share of Rs. 5/- each and to declare Final Dividend of Rs. 1.50/- per Equity Share of Rs. 5/- each for the financial year ended 31st March, 2022.

**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) in terms of Section 152(6) of the Companies Act, 2013, 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) in terms of Section 152(6) of the Companies Act, 2013, who retires by rotation and being eligible, offers himself for re-appointment.

**ITEM NO. 5-APPOINTMENT OF STATUTORY AUDITORS**

To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof,

for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N), be and are hereby appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years commencing from the conclusion of 17th Annual general Meeting till the conclusion of 22nd Annual General Meeting of the Company to be held in the year 2027, on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to the above resolution.”

**SPECIAL BUSINESS:****ITEM NO. 6 – TO APPROVE PAYMENT OF REMUNERATION TO MR. DINESH OSWAL (DIN: 00607290) MANAGING DIRECTOR OF THE COMPANY UNDER REGULATION 17(6)(E) AND REGULATION 23 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 -**

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

**“RESOLVED THAT** pursuant to Regulation 17(6)(e) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013, if any and as per the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, the consent and approval of the Members be and is hereby accorded for the payment of remuneration to Mr. Dinesh Oswal, Managing Director of the Company (DIN: 00607290) being a member of Promoter/Promoter Group of the Company, as approved by Shareholders vide their Special Resolution dated 29th September, 2021, notwithstanding the aggregate annual remuneration payable to him may exceeds the limit as provided under Regulation 17(6)(e) and materiality threshold as provided under Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during his current tenure i.e. from 1st January, 2022 to 31st December, 2026.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO. 7. - TO APPOINT DR. YASH PAUL SACHDEVA (DIN: 02012337) 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 **Special 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), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, Dr. Yash Paul Sachdeva (DIN: 02012337) 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 August 23, 2027.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO. 8 - TO APPOINT DR. RAJAN DHIR (DIN: 09632451) AS AN INDEPENDENT DIRECTOR OF THE COMPANY –**

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

**“RESOLVED THAT** pursuant to the provisions of 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), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, Dr. Rajan Dhir (DIN: 09632451) 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 August 23, 2027.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO. 9 - TO RE-APPOINT DR. VIJAY ASDHIR (DIN: 06671174) AS AN INDEPENDENT DIRECTOR OF THE COMPANY –**

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

**“RESOLVED THAT** pursuant to the provisions of 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), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, Dr. Vijay Asdhir (DIN: 06671174), who was appointed as an Independent Director for five consecutive years by the shareholders on September 26, 2017 and who holds office upto September 25, 2022 and who qualifies for being appointed as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for 5 (five) consecutive years for a second term w.e.f. September 26, 2022 up to September 25, 2027.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO. 10 - TO RE-APPOINT DR. MANISHA GUPTA (DIN: 06910242) AS AN INDEPENDENT DIRECTOR OF THE COMPANY –**

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

**“RESOLVED THAT** pursuant to the provisions of 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), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and



Article of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, Dr. Manisha Gupta (DIN: 06910242), who was appointed as an Independent Director for five consecutive years by the shareholders on September 26, 2017 and who holds office upto September 25, 2022 and who qualifies for being appointed as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for 5 (five) consecutive years for a second term w.e.f. September 26, 2022 up to September 25, 2027.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO. 11-TO APPROVE EXISTING AS WELL AS NEW MATERIAL RELATED PARTY TRANSACTIONS-**

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 Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time, applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), on the basis of approval and recommendation of the Audit Committee and Board of Directors of the Company, consent and approval of the Members be and is hereby accorded for entering into and / or continuing to enter into transactions with Oswal Woolen Mills Ltd. and Nahar Spinning Mills Ltd., the Related Parties under Regulation 2(1)(zb) of the Listing Regulations, for providing financial services, grating of loan etc., to be carried out in the ordinary course of business of the Company and on arm's length basis and on such terms and conditions as may be mutually agreed between the Company and Related Parties, for a period starting from 1st April, 2022 till the date of 18th Annual General Meeting of the Company to be held in the year 2023.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company ('the Board', which term shall be deemed to include the Audit Committee) be and are hereby authorised to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto, and also to settle any issue, question, difficulty or doubt that

may arise in this regard as the Board in its absolute discretion may deem fit or desirable, subject to compliance with the applicable laws and regulations, without the Board being required to seek any further consent / approval of the Members.”

**BY ORDER OF THE BOARD**

**ANJALI MODGIL**

**(COMPANY SECRETARY)**

**DATE: 23<sup>RD</sup> JULY, 2022**

**Regd. Office:**

**FCS - 9650**

**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, the general meetings of the companies shall be conducted as per the guidelines issued by 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, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 (collectively referred to as “MCA Circulars”). Thus, the 17th Annual General Meeting will be held through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of the Members at a common venue. Members can attend and participate in the ensuing AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 25.
2. The venue of the Meeting shall be deemed to be the registered office of the Company.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this Notice.
4. Pursuant to MCA Circulars, 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.
5. 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.
6. In line with the MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021 and May 13, 2022, the Notice calling the AGM alongwith Annual Report for the year 2021-22 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 2021-22 has been uploaded on the website of the Company at [www.ownahar.com](http://www.ownahar.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. 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](http://www.evotingindia.com). However, hard copy of full annual report will be sent to the shareholder who request for the same.
  7. The Register of Members and Share Transfer Register of the Company shall remain closed from 13th August, 2022 to 16th August, 2022 (both days inclusive) for the purpose of equity dividend for the year ended 31st March, 2022.
  8. 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 12th August, 2022 or Register of Beneficial Owners, maintained by the Depositories at the close of 12th August, 2022.  

Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend income is taxable in the hands of members and the Company is required to deduct tax at source (TDS) from the dividend payable to the members at the prescribed rates as per the Income Tax Act, 1961. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, in accordance with the provisions of the IT Act.
  9. 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.
  10. 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.
  11. The relevant information under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, regarding the Directors who are proposed to be appointed/re-appointed, is given hereto and form part of the Notice.
  12. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividend upto the financial year 2013-14 has been transferred to Investor Education and Protection Fund. Further, unpaid dividend for the year 2014-15 is to be transferred to Investor Education and Protection Fund in November, 2022. Shareholders who have not encashed their dividend warrants relating to said period are requested to claim the amount from the Company at the earliest.
  13. 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.ownahar.com/nahar\\_cf/transfer-of-equity-shares-to-IEPF.php](http://www.ownahar.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](http://www.iepf.gov.in).
  14. 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://www.iepf.gov.in/IEPF/refund.html> or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority.

15. As per Regulation 40 of SEBI (LODR) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form.

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.

16. 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.
17. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
18. 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.
19. 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.
20. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 3, 2021 read together with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 (the "SEBI Circulars")

has mandated for furnishing/ updating PAN, KYC details (Address, Mobile No., E-mail ID, Bank Details) and Nomination details by all the holders of physical securities in listed company in the prescribed forms i.e. ISR-1, ISR-2, SH-13/ ISR-3/ SH-14. In compliance thereof, the Company has already sent the communication alongwith prescribed forms to all the physical shareholders at their registered address. Members are requested to forward the duly filled in Forms along with the related proofs to the Company at its Registered Office at 375, Industrial Area-A, Ludhiana – 141 003 or Registrar and Transfer Agent at M/s. Alankit Assignments Limited, Unit: Nahar Capital and Financial Services Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055. The aforesaid forms can be downloaded from the website of the Company at [http://www.owmnahar.com/nahar\\_cf/kyc\\_update.php](http://www.owmnahar.com/nahar_cf/kyc_update.php).

21. As an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has decided that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for: 1. Issue of duplicate securities certificate; 2. Claim from Unclaimed Suspense Account; 3. Renewal / Exchange of securities certificate; 4. Endorsement; 5. Sub-division / Splitting of securities certificate; 6. Consolidation of securities certificates/folios; 7. Transmission; 8. Transposition. Therefore, Members are requested to kindly get their shares dematerialised at the earliest.
22. 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 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. August 24, 2022. Members seeking to inspect such documents can send an email to [secncfs@owmnahar.com](mailto:secncfs@owmnahar.com).
23. 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, 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's 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.

#### **24. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:**

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 or rta@alankit.com.
2. For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

#### **25. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

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

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

- (i) The voting period begins on 21st August, 2022 (9:00 a.m.) and ends on 23rd August, 2022 (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 17th August, 2022, may

cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The members who have voted through remote e-voting will be eligible to attend the AGM but they will not be entitled to vote at the AGM.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.





Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the E-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provider i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in</li> </ol>

	<p>the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your</li> </ol>

	<p>sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 & 1800 22 44 30

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

(v) Login method of e-Voting and joining virtual AGM for **Physical Shareholders & shareholders other than individual shareholders holding in demat form.**

- a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b. Click on "Shareholders" module.
- c. Now Enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	<b>For Physical Shareholders and other than individual shareholders holding shares in demat</b>
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"> <li>● Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company or contact Company/RTA.</li> </ul>
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"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen.



- However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be 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. 220723002 to vote.**
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xx) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) 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](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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](mailto:bathla7@gmail.com) and to the Company at [secncfs@owmnahar.com](mailto: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. 17<sup>th</sup> August, 2022 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 CDSL e-Voting System, you may write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.
- (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  
Phone: 0161-5066223  
E-mail: gredressalnfcsl@owmnahar.com

**26. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING AGM ARE AS UNDER:**

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) 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.
- (vii) 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.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to

express their views/ask questions during the meeting.

- (ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast 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.
- (x) 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), within two working days of the conclusion of the AGM.
30. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company at [www.owmnahar.com](http://www.owmnahar.com) and on the website of CDSL i.e. [www.cdslindia.com](http://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 17<sup>th</sup> Annual General Meeting i.e. 24<sup>th</sup> August, 2022.
32. A person who is not a Member as on the cut off date i.e. 17<sup>th</sup> August, 2022 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 to Item No. 11 of the accompanying Notice:

**ITEM NO. 5****Information pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

The shareholders in their Meeting held on 26th September, 2017 approved the appointment of M/s. YAPL & Co., Chartered Accountants, Ludhiana (Firm Registration No. 017800N), as Statutory Auditors of the Company to hold office for a term of five consecutive years commencing from Company's financial year 2017-18 to hold office from the conclusion of 12th Annual general Meeting till the conclusion of 17th Annual General Meeting of the Company to be held in the year 2022. Thus, term of YAPL & Co., Chartered Accountants as Statutory Auditors of the Company will complete on the conclusion of ensuing Annual General Meeting of the Company.

The Board of Directors at their meeting held on July 23, 2022, based on recommendations of the Audit Committee, have approved the appointment of M/s. Gupta Vigg & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of this AGM till the conclusion of 22nd AGM to be held in the year 2027. The appointment is subject to approval of the shareholders of the Company.

Before recommending the appointment of M/s. Gupta Vigg & Co., Chartered Accountants, as the Statutory Auditors of the Company, the Audit Committee considered various parameters like capability to serve the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s. Gupta Vigg & Co., Chartered Accountants, to be suitable to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. The Statutory Auditors fulfil the eligibility criteria, including relating to independence and conflict, as specified by the Reserve Bank of India.

M/s. Gupta Vigg & Co., is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with Firm Registration No. 001393N. The firm was established in the year 1970 and is led by six partners. The firm provides a range of services which include audit & assurance, taxation, advisory & accounting. The firm has significant experience in providing auditing, taxation and advisory services to banks and other financial services clients.

In accordance with the provisions of Sections 139, 141

and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), M/s. Gupta Vigg & Co., Chartered Accountants, have provided their consent and eligibility certificate to that effect, their appointment, if made, would be in compliance with the applicable laws.

The remuneration to be paid to Statutory Auditors during the term shall be as mutually agreed between the Board of Directors and Statutory Auditors, from time to time. There is no material change in the fee payable to M/s. Gupta Vigg & Co., from that paid to the outgoing Auditors i.e. M/s. YAPL & Co.

None of the other Directors or Key Managerial Personnel of the Company or their relatives, in any way, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

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

**ITEM NO. 6**

The Shareholders at their Meeting held on 29th September, 2021 by way of Special Resolution approved the re-appointment and payment of remuneration to Mr. Dinesh Oswal as Managing Director of the Company (DIN: 00607290) for a period of five years w.e.f. 1st January, 2022. Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') provides that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if- the annual remuneration payable to such executive director exceeds Rs. 5 Crores or 2.5 per cent of the net profits (calculated as per Section 198 of the Companies Act, 2013) of the listed entity, whichever is higher. Further, Regulation 23 of the Listing Regulations, effective 1st April, 2022, provides that entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, exceed Rs. 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

Mr. Dinesh Oswal who is a Managing Director of the Company belongs to the Promoter/Promoter Group of the Company. Accordingly, the Board, on the recommendation of Nomination and Remuneration Committee and Audit Committee, has sought approval of the members by way of Special Resolution for



payment of remuneration to Mr. Dinesh Oswal, Managing Director of the Company, being a promoter of the Company, even if the aggregate annual remuneration payable to him may exceeds the limit as provided under Regulation 17(6)(e) and materiality threshold as stated under Regulation 23 of Listing Regulations, during his present term i.e. from 1st January, 2022 to 31st December, 2026.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for your approval.

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

**ITEM NO. 7**

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. Yash Paul Sachdeva for the office of the Independent Director of the Company.

The Nomination and Remuneration Committee after verifying the profile and suitability of Dr. Yash Paul Sachdeva, has recommended to the Board his appointment. Accordingly, the Board having regard to skills, experience and knowledge of Dr. Yash Paul Sachdeva, in its Meeting held on July 23, 2022 has proposed the appointment of Dr. Yash Paul Sachdeva, as an Independent Director on the Board of the Company for a term of five consecutive years commencing from this Annual General Meeting upto August 23, 2027.

Dr. Yash Paul Sachdeva is 60 years of age. He is MBA with specialization in Financial Management and Ph.D. (Capital Markets and Investment Management). He is an eminent educationist and Corporate Advisor. His areas of specialization are Accounting and Financial Management, Security Analysis and Portfolio Management, and Management Control Systems. He has more than 30 years of experience in the field of Business Management and Administration. He retired as Professor in the Business Administration Department of Punjab Agriculture University, Ludhiana. He was also

associated with the Company as an Independent Director from the year 2011 to 2017. As identified by the Nomination and Remuneration Committee of the Company, the role of Independent Director requires various skills and capabilities viz; Leadership skills, Managerial and entrepreneurial skills, understanding of relevant laws, rules, regulations and policies, financial knowledge, policy shaping, corporate governance etc. Dr. Yash Paul Sachdeva meets these requirements of skills and capabilities as required to be an Independent Director of the Company. Having regard to his vast expertise and knowledge, it will be in the interest of the Company to appoint him as an Independent Director.

The Company has received from Dr. Yash Paul Sachdeva (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. Yash Paul Sachdeva 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 inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website [www.owmnahar.com](http://www.owmnahar.com).

Dr. Yash Paul Sachdeva 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. Yash Paul Sachdeva, Key Managerial Personnel or their relatives, in any way, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

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

**ITEM NO. 8**

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. Rajan Dhir for the office of the Independent Director of the Company.

The Nomination and Remuneration Committee after verifying the profile and suitability of Dr. Rajan Dhir, has recommended to the Board his appointment. Accordingly, the Board having regard to skills, experience and knowledge of Dr. Rajan Dhir, in its Meeting held on July 23, 2022 has proposed the appointment of Dr. Rajan Dhir, as an Independent Director on the Board of the Company for a term of five consecutive years commencing from this Annual General Meeting upto August 23, 2027.

Dr. Rajan Dhir is 64 years of age. He is M.Sc., MBA, NPTEL Marketing and Ph.D. in Management. As identified by the Nomination and Remuneration Committee of the Company, the role of Independent Director requires various skills and capabilities viz; Leadership skills, Managerial and entrepreneurial skills, understanding of relevant laws, rules, regulations and policies, financial knowledge, policy shaping, corporate governance, Information Technology etc. Dr. Rajan Dhir meets these requirements of skills and capabilities as required to be an Independent Director of the Company as he is having more than 35 years of experience in the field of Business Management and Administration. He has written various Research Papers on different topics predominantly in Corporate Governance. Having regard to his vast expertise and knowledge, it will be in the interest of the Company to appoint him as an Independent Director.

The Company has received from Dr. Rajan Dhir (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. Rajan Dhir 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 inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website [www.owmnahar.com](http://www.owmnahar.com).

Dr. Rajan Dhir 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. Rajan Dhir, Key Managerial Personnel or their relatives, in any way, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval of the Members.

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

**ITEM NO. 9**

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Vijay Asdhir was appointed as Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto September 25, 2022. Thus, his period of office will be expiring on September 25, 2022.

Based on the recommendation of the Nomination and Remuneration Committee after verifying the profile and suitability of Dr. Vijay Asdhir and on the basis of report of performance evaluation, the Board in its Meeting held on July 23, 2022 has proposed the re-appointment of Dr. Vijay Asdhir as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from September 26, 2022 upto September 25, 2027.

Dr. Vijay Asdhir is 75 years of age. He is M.Com, Ph.D. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana and as a Director in the Khalsa Institute of Management, Ludhiana. As identified by the Nomination and Remuneration Committee of the Company, the role of Independent Director requires various skills and capabilities viz; Leadership skills, Managerial and



entrepreneurial skills, industry knowledge and experience, understanding of relevant laws, rules, regulations and policies, financial knowledge, policy shaping, corporate governance, risk management etc. Dr. Vijay Asdhir meets these requirements of skills and capabilities as required to be an Independent Director of the Company as he is having more than 38 years of experience in the field of Business Management and Administration and served as Independent Director in various Listed Companies.

Having regard to his vast knowledge and expertise, the Board is of the opinion that his continued association would be of immense beneficial to the Company and it is desirable to re-appoint him as an Independent Director for a further term of five years to avail his services as an Independent Director.

The Company has received from Dr. Vijay Asdhir (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. Vijay Asdhir fulfills the conditions for his re-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 inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website [www.owmnaahar.com](http://www.owmnaahar.com).

Dr. Vijay Asdhir 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. Vijay Asdhir, Key Managerial Personnel or their relatives, in any way, may be deemed to be concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval of the Members.

Brief resume of the Dr. Vijay Asdhir, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees,

shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided at the end of this Notice.

**ITEM NO. 10**

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Manisha Gupta was appointed as Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto September 25, 2022. Thus her period of office will be expiring on September 25, 2022.

Based on the recommendation of the Nomination and Remuneration Committee after verifying the profile and suitability of Dr. Manisha Gupta and on the basis of report of performance evaluation, the Board in its Meeting held on July 23, 2022 has proposed the re-appointment of Dr. Manisha Gupta as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from September 26, 2022 upto September 25, 2027.

Dr. Manisha Gupta is 43 years of age. She is B.Com, MBA (Finance), UGC and Ph. D. Presently, she is working as a Director at Punjab Institute of Management and Technology, Mandi Gobindgarh. As identified by the Nomination and Remuneration Committee of the Company, the role of Independent Director requires various skills and capabilities viz; Leadership skills, Managerial and entrepreneurial skills, industry knowledge and experience, understanding of relevant laws, rules, regulations and policies, financial knowledge and expertise, policy shaping, corporate governance, risk management etc. Dr. Manisha Gupta meets these requirements of skills and capabilities as required to be an Independent Director of the Company as she is having more than 22 years of experience in Teaching and Research of Management and Administration and served as Independent Director in various Listed Companies.

Having regard to her vast knowledge and expertise, the Board is of the opinion that her continued association would be of immense beneficial to the Company and it is desirable to re-appoint her as an Independent Director for a further term of five years to avail her services as an Independent Director.

The Company has received from Dr. Manisha Gupta (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 she is not disqualified under Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Manisha Gupta fulfils the conditions for her re-appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She is independent of the Management and possesses appropriate skills, experience and knowledge. Copy of the draft letter for her appointment as an Independent Director is available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website www.owmnaahar.com.

Dr. Manisha Gupta does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

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

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval of the Members.

Brief resume of the Dr. Manisha Gupta, nature of her expertise in specific functional area and names of the Companies in which she holds the directorships/ memberships/ chairmanships 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 this Notice.

**ITEM NO. 11**

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with the Company's Policy on Related Party Transactions, effective 1st April, 2022, provides that entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, exceed Rs. 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

The Company being a Non-Banking Financial Banking, in order to further its business interests, enters into transactions with its related parties. The Company enters into transactions with related parties under Regulation 2(1)(zb) of the Listing Regulations for

granting of loan and other financial services. All the transactions with related parties are reviewed and approved by the Audit Committee of the Company. The transactions with Oswal Woolen Mills Ltd. and Nahar Spinning Mills Ltd. are exceeding / expected to exceed the materiality threshold as stated under Regulation 23 of Listing Regulations above.

Accordingly, the Board of Directors of the Company ('the Board') at the meeting held on 25th May, 2022, on the recommendation of the Audit Committee, recommended for the approval of the Members, entering/continue entering into material related party transactions with Oswal Woolen Mills Ltd. and Nahar Spinning Mills Ltd., for a period starting from 1st April, 2022 till the date of 18th Annual General meeting of the Company to be held in the year 2023. These transactions entered/to be entered into with the Related Parties shall be in the ordinary course of business and on arm's length basis.

The details of the transactions pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are given hereunder:

Sl. No.	Particulars	Details of transactions	
1.	Name of the related party	Oswal Woolen Mills Ltd.	Nahar Spinning Mills Ltd.
2.	Nature of relationship	Group Company	Associate Company
3.	Nature and material terms of the transaction	Grant of Loan	Grant of Loan and payment of Rent
4.	Tenure of the transaction	1 year	1 year
5.	Nature of concern or interest	Financial	Financial
6.	Value of the transaction/ proposed transaction	Upto 15 Crores	Upto 25 Crores
7.	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	The value of proposed transaction is in the range of 30 to 50 per cent of the turnover of the Company. However, the value of proposed transaction is represented in the range of 1.8 to 3.15 per cent of the Company's reserves.	
8.	Information for transaction relating to loans		
a.	Tenure	Upto 1 Year	Upto 1 Year
b.	Interest Rate	Prevailing Interest Rate	Prevailing Interest Rate
c.	Repayment Schedule	1 year	1 year
d.	Secured or Unsecured, if secured nature of security	Unsecured	Unsecured
e.	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds	Business Purpose	Business Purpose
9.	Justification as to why the related party transaction is in the interest of the Company	The Company being a RBI Registered Non-Banking Financial Company, is in the business of giving loans and making investment. Hence granting of loan is in the ordinary course of business of the Company. The Company utilizes its surplus funds for lending activities in order to earn returns.	
10.	Details of valuation or other external party report, if such report has been relied upon	Not applicable	
11.	Any other information that may be relevant	Nil	

Mr. Jawahar Lal Oswal, Chairman, Mr. Dinesh Oswal, Managing Director and Mr. Kamal Oswal, Director of the



Company, may be deemed to be concerned or interested in the aforesaid resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives except as stated above are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Members may note that pursuant to the provisions of the Listing Regulations, no related party shall vote to approve this Resolution (whether such related party is a

party to the above mentioned transaction or not).

The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval of the Members.

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

Name of the Director	1. Mr. Jawahar Lal Oswal			2. Mr. Kamal Oswal			3. Dr. Yash Paul Sachdeva				
Category	Non-executive Director			Non-executive Director			Independent Director				
Age	78 Years			59 Years			60 Years				
DIN	00463866			00493213			02012337				
Qualification	Graduate			B.Com.			MBA (Financial Management), Ph.D. (Capital Markets and Investment Management)				
Expertise	Having more than 58 years of experience in Textile and Woollen Industry			Having more than 40 years of experience in Textile, Woollen and Sugar Industry			Having more than 30 years of experience in the field of Business Management and Administration				
Directorships in Other Listed Companies as on 31st March, 2022	Name of the Company		Status	Name of the Company		Status	Name of the Company		Status		
	1. Monte Carlo Fashions Limited		Chairman/ Managing Director	1. Nahar Spinning Mills Limited		Director	1. Nahar Poly Films Limited		Independent Director		
	2. Nahar Spinning Mills Limited		Director/ Chairman	2. Nahar Poly Films Limited		Director					
	3. Nahar Poly Films Limited		Director/ Chairman	3. Nahar Industrial Enterprises Limited		Vice Chairman cum Managing Director					
	4. Nahar Industrial Enterprises Limited		Director/ Chairman								
Name of the Company		Name of the Committee	Status	Name of the Company		Name of the Committee	Status	Status			
Chairmanship/ Membership of Committees of Other Listed Companies as on 31st March, 2022	Monte Carlo Fashions Limited		CSR Committee	Chairman	Nahar Industrial Enterprises Limited		CSR Committee	Chairman	Nahar Poly Films Limited	Audit Committee	Member
					Stakeholder's Relationship Committee		Member		Nomination and Remuneration Committee	Member	
Listed entities from which the Director has resigned in the past three years	Nil			Nil			Nil				
Shareholding	40012 Equity Shares			259 Equity Shares			Nil				
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.			Mr. Kamal Oswal is son of Mr. Jawahar Lal Oswal and brother of Mr. Dinesh Oswal.			Nil				

Name of the Director	4. Dr. Rajan Dhir		5. Dr. Vijay Asdhir		6. Dr. Manisha Gupta			
Category	Independent Director		Independent Director		Independent Director			
Age	64 Years		75 Years		43 Years			
DIN	09632451		06671174		06910242			
Qualification	M.Sc., MBA, NPTEL in Marketing and Ph.D. in Management		M.Com, Ph.D.		B.Com, MBA (Finance), UGC and Ph. D.			
Expertise	Having more than 35 years of experience in the field of Business Management and Administration		Having more than 38 years of experience in Teaching and Administration		Having more than 22 years of experience in Teaching and Research of Management and Administration			
Directorships in Other Listed Companies as on 31st March, 2022	Nil		Name of the Company		Status	Name of the Company		Status
			1. Nahar Spinning Mills Limited		Independent Director	1. Nahar Spinning Mills Limited		Independent Director
			2. Nahar Poly Films Limited		Independent Director	2. Nahar Poly Films Limited		Independent Director
						3. Nahar Industrial Enterprises Limited		Independent Director
						4. Monte Carlo Fashions Limited		Independent Director
						5. Oswal Leasing Limited		Independent Director



Chairmanship/ Membership of Committees of Other Listed Companies as on 31 <sup>st</sup> March, 2022	Nil	Name of the Company	Name of the Committee	Status	Name of the Company	Name of the Committee	Status	
		Nahar Spinning Mills Limited	Audit Committee	Member	1.Nahar Spinning Mills Limited	Nomination and Remuneration Committee	Member	
					2.Nahar Poly Films Limited	Stakeholders' Relationship Committee	Chairperson	
		3.Nahar Industrial Enterprises Limited	Nomination and Remuneration Committee	Member				
			4.Monte Carlo Fashions Limited	Audit Committee	Member			
		5.Oswal Leasing Limited		Audit Committee	Member			
				Nomination and Remuneration Committee	Member			
				Stakeholders' Relationship Committee	Member			
				Share Transfer Committee	Member			
		Listed entities from which the Director has resigned in the past three years		Nil	Nahar Industrial Enterprises Limited		Nil	
		Shareholding	Nil		Nil		Nil	
Disclosure of relationship between Directors inter-se	Nil		Nil		Nil			

**BY ORDER OF THE BOARD  
ANJALI MODGIL****DATE: 23<sup>RD</sup> JULY, 2022**  
**Regd. Office:**  
**375, Industrial Area-A,**  
**Ludhiana-141003**  
**CIN: L45202PB2006PLC029968**  
**E-mail: secncfs@owmnahar.com****(COMPANY SECRETARY)**  
**FCS - 9650**



**DIRECTORS' REPORT**

Dear Members,

Your Directors have immense pleasure in presenting the **SEVENTEENTH ANNUAL REPORT** on the affairs of the Company for the financial year ended 31<sup>st</sup> March, 2022.

**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
<b>Total Income</b>	<b>4988.51</b>	4759.52	<b>4316.50</b>	4638.64
Less: Total Expenses	<b>891.76</b>	649.97	<b>891.76</b>	649.97
<b>Profit before Tax</b>	<b>4096.75</b>	4109.55	<b>3424.74</b>	3988.67
Less: Tax (including deferred tax charge/ (credit))	<b>1054.00</b>	1142.65	<b>7906.02</b>	2272.85
<b>Share of Profit from Associates</b>	---	---	<b>27127.73</b>	4381.32
<b>Net Profit</b>	<b>3042.75</b>	2966.90	<b>22646.45</b>	6097.14
Other Comprehensive Income/(loss)	<b>6783.44</b>	4693.33	<b>29442.92</b>	9164.36
<b>Profit for the period</b>	<b>9826.19</b>	7660.23	<b>52089.37</b>	15261.50

**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 made reporting of both the segments i.e. Investment/Financial Activities and Real

Estate Activities in the financial statements for the year ended 31<sup>st</sup> March, 2022.

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 Investments, Strategic Investments and Short Term/Trading Investments. Besides, the Company's business activities also include lending activities which is primarily to Group Companies and Affiliates. The Company makes investments in equity and debt securities, both in Primary and Secondary Market directly as well as through Mutual Funds and Portfolio Management Services, Alternative Investment Funds etc. During the year under review, the Company achieved net revenue of Rs. 4660.98 Lakhs and earned a Profit (before tax and finance cost) of Rs. 4296.53 Lakhs from investment/financial activities.

**REAL ESTATE SEGMENT**

We would like to inform you that the real estate segment achieved net revenue of Rs. 327.53 Lakhs and earned a Profit (before tax and interest cost) of Rs. 204.37 Lakhs during the year under review.

**OVERALL PERFORMANCE**

Your Company performed reasonably well during the FY 2021-22 due to management's balanced approach towards portfolio management and its continuous review and timely actions has enabled it to get early warning signals and to make appropriate investment decisions from time to time. However, Company's performance of current year ended 31.03.2022 is not comparable with the corresponding year ended 31.03.2021 as the performance of the previous year were impacted on account of Covid-19 pandemic. 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**

On standalone basis, the Company earned operating/other income of Rs. 4988.51 Lakhs in the current year as against Rs. 4759.52 Lakhs in the previous year. It earned a profit before tax of Rs. 4096.75 Lakhs as against Rs. 4109.55 Lakhs in the previous year. After providing for tax expenses of Rs. 1054.00 Lakhs (including deferred tax charge), it earned a net profit of Rs. 3042.75 Lakhs for the year ended 31.03.2022 as compared to Rs. 2966.90 Lakhs in the previous year ended 31.03.2021. Other Comprehensive Income (OCI) also increased substantially due to recovery in capital markets and optimal portfolio selection by the Company.

**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, 2022 in respect of its Associate Companies namely; M/s. Nahar Spinning Mills Ltd. and M/s. Nahar Poly Films Ltd. On consolidated basis, the Company earned operating/ other income of Rs. 4316.50 Lakhs during the year under review as against Rs. 4638.64 Lakhs in the previous year. It earned a profit (including profit of Associates) before tax of Rs. 30552.47 Lakhs as against Rs. 8369.99 Lakhs in the previous year. After providing for tax expenses of Rs. 7906.02 Lakhs (including deferred tax charge), it earned a net profit of Rs. 22646.45 Lakhs for the year ended 31.03.2022 as against Rs. 6097.14 Lakhs in the previous year ended 31.03.2021.

**COVID-19 PANDEMIC**

The first quarter of FY 2021-22 coincided with the second wave of COVID-19 in India, which was more severe than the first wave. Having said that, the relative downside to the economy was lower than during the first wave as the Government did not go in for a complete lockdown of the economy. Restrictions to economic activity were more localised and selective. Government's efforts to vaccinate its citizens in a big way have resulted in reduction in the COVID cases. Economic momentum was seen to improve over the various quarters of FY 2021-22 and thus the economy progressively recovered from the blow of the COVID-19 pandemic. Your Company also arranged vaccination camps at the office so that each and every employee can get vaccinated and the Company can operate its business after taking care of the safety and the well-being of its employees.

As you are aware that your Company is mainly doing Investment business with long term perspective and hence the impact of temporary volatility in the financial markets was insignificant. The Company performed reasonably well due to balanced and appropriate investment decisions. The Company has made assessment of its liquidity position and the recoverability and carrying value of its assets. The Company has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Company expects to recover the carrying amount of these assets and no material adjustments are required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising out of the future economic conditions and its impact on the business of the company.

**TRANSFER TO RESERVE**

The Company has transferred an amount of Rs. 100 Crores to the General Reserve during the year under review and thus Company's General Reserve stands increased to Rs. 533.21 Crores as on 31st March, 2022.

**DIVIDEND AND DIVIDEND DISTRIBUTION POLICY**

Based on the Company's performance in the first half of the year, the Board of Directors in their Meeting held on 9th November, 2021 approved payment of interim dividend for the financial year 2021-22 of Rs. 1.50/- (i.e. 30%) per equity share of Rs. 5/- each. The interim dividend was paid to eligible Members in November, 2021. The total interim dividend involved a cash outflow of Rs. 251.19 Lakhs. The interim dividend was paid to Members, subject to deduction of tax at source as per the applicable rate.

The Board, considering the Company's performance for the financial year ended 31st March, 2022, has recommended a final dividend of Rs. 1.50/- (i.e. 30%) per equity shares of Rs. 5/- each on paid up equity share capital for the year ended 31st March, 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting to be held on 24th August, 2022. The total final dividend involved a cash outflow of Rs. 251.19 Lakhs. With this, the total dividend for the Financial Year 2021-22 will be Rs. 3/- per equity share (i.e. 60%). The total dividend involved a cash outflow of Rs. 502.38 Lakhs for the financial year 2021-22.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of the profits of the Company for the year under reference to all those shareholders whose name shall appear in the Register of Members as on 12th August, 2022 or Register of Beneficial Owners, maintained by the Depositories as at the close of 12th August, 2022. Further, as per the Finance Act, 2020 dividend income is taxable in the hands of members and the Company is required to deduct tax at source (TDS) from the dividend payable to the members at the prescribed rates as per the Income Tax Act, 1961.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) 2015 as amended, a Dividend Distribution Policy setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company, is available on the website of the Company at [http://www.ownahar.com/nahar\\_cf/pdf/Dividend\\_Distribution\\_Policy.pdf](http://www.ownahar.com/nahar_cf/pdf/Dividend_Distribution_Policy.pdf).

**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, as amended, 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. 4,79,462.00/- (Rupees Four Lakhs Seventy Nine Thousand Four Hundred and Sixty Two only) being the amount of unclaimed dividend for the year 2013-14 to the Investor Education and Protection Fund in November, 2021. Further, unpaid dividend for the year 2014-15 shall be transferred to Investor Education and Protection Fund pursuant to Section 124 of the Companies Act, 2013 in November, 2022. 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 10,508 (Ten Thousand Five Hundred Eight) 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/pdf/List-of-Shareholders-2013-14.pdf](http://www.owmnahar.com/nahar_cf/pdf/List-of-Shareholders-2013-14.pdf). 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](http://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**

##### **● Appointment / Retirement of Directors**

The second term of appointment of Dr. Suresh Kumar Singla (DIN: 00403423) and Dr. Amrik Singh Sohi (DIN: 03575022), as Independent Directors of the Company will complete on September 25, 2022. The Board places on record its appreciation for the valuable services rendered by Dr. Suresh Kumar Singla and Dr. Amrik Singh Sohi during their tenure as an Independent Directors 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. Yash Paul Sachdeva (DIN: 02012337) and Dr. Rajan Dhir (DIN: 09632451) as Independent Directors of the Company. The Nomination and Remuneration Committee after verifying their profile and suitability has recommended their appointment to the Board. Accordingly, the Board having regard to their skills, experience and knowledge, has proposed the appointment of Dr. Yash Paul Sachdeva (DIN: 02012337) and Dr. Rajan Dhir (DIN: 09632451) as Independent Directors of the Company to hold office for five consecutive years for a term i.e. upto August 23, 2027. The necessary resolution for their 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.

Further, the first term of office of Dr. Vijay Asdhir (DIN: 006671174) and Dr. Manisha Gupta (DIN: 06910242), as Independent Directors of the Company, will expire on September 25, 2022. The Board, on the recommendation of Nomination and Remuneration Committee and on the basis of report of performance evaluation, has decided to re-appoint Dr. Vijay Asdhir (DIN: 006671174) and Dr. Manisha Gupta (DIN: 06910242), as Independent Directors for a second term of five consecutive years w.e.f. September 26, 2022 upto September 25, 2027. The necessary resolutions for their re-appointment have been proposed in the accompanying Notice for your approval.

During the year under review, the Shareholders vide their Special Resolution dated 29<sup>th</sup> September, 2021 has re-appointed Mr. Dinesh Oswal, Managing Director of the Company for a further period of 5 years commencing from 1<sup>st</sup> January, 2022.

##### **● Key Managerial Personnel**

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 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, bahaviour, 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 2022 was discussed by the Nomination and Remuneration Committee at the Meeting held on 24<sup>th</sup> May, 2022 and the Board at its Meeting held on 25<sup>th</sup> May, 2022.

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

**CORPORATE POLICIES:**

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

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

Name of the Policy	Brief Description
<b>Appointment and Remuneration Policy</b>	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 has approved and adopted the Policy for Appointment and Remuneration of Directors, Key Managerial Personnel and other employees as recommended by Nomination and Remuneration Committee.
<b>Corporate Social Responsibility Policy</b>	Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, 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.
<b>Whistle Blower Policy</b>	Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its directors and employees. The aim of the policy is to provide a channel to the directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct for policy.
<b>Policy for determining the material related party transactions and dealing with the related party transactions</b>	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

	<p>companies and related parties. The Policy has been uploaded on the Company's website and can be accessed at <a href="http://owmnahar.com/nahar_cf/pdf/RPT-NAHAR-CAPITAL.pdf">http://owmnahar.com/nahar_cf/pdf/RPT-NAHAR-CAPITAL.pdf</a>.</p>		<p>maintenance and archival of Company's disclosures, documents and records that are placed on Company's website i.e. <a href="http://www.owmnahar.com">www.owmnahar.com</a>.</p>
<b>Insider Trading Policy</b>	<p>Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Board has adopted the following Codes to provide framework for dealing in the Securities of the Company by the Insiders:</p> <ol style="list-style-type: none"> <li>i. Code of practices and procedures for fair disclosure of unpublished price sensitive information</li> <li>ii. Code of conduct to regulate, monitor and report trading by designated persons and immediate relatives of designated persons</li> </ol> <p>The Codes help to regulate trading in securities by the designated persons and immediate relatives of 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.</p>	<b>Board Diversity Policy</b>	<p>The Board of Directors has approved and adopted the Board Diversity Policy as per the recommendations of Nomination and Remuneration Committee. The policy envisages of diversification of Company's Board in respect of age, knowledge, experience and expertise.</p>
<b>Preservation of documents Policy</b>	<p>The Board of Directors has approved and adopted the policy for Preservation of documents. The Policy segregates the documents to be preserved permanently and documents to be preserved at least for a period of 8 years as per the requirements of applicable laws.</p>	<b>Dividend Distribution Policy</b>	<p>Pursuant to the requirements of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Dividend Distribution Policy. The policy facilitates payment of dividend to the shareholders and set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy has been uploaded on Company's website and can be accessed at <a href="http://owmnahar.com/nahar_cf/pdf/Dividend_Distribution_Policy.pdf">http://owmnahar.com/nahar_cf/pdf/Dividend_Distribution_Policy.pdf</a>.</p>
<b>Archival Policy</b>	<p>Pursuant to the requirements of Regulations 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Archival Policy. The Policy ensures protection,</p>	<p><b>APPOINTMENT AND REMUNERATION POLICY</b></p> <p>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. 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.</p> <p>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.</p>	





The Policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees. The Nomination & Remuneration Policy of the Company is available on the Company's website and can be accessed at [http://owmnahar.com/nahar\\_cf/pdf/NAHARCAPPOINTMENTANDREMUNERATIONPOLICY.pdf](http://owmnahar.com/nahar_cf/pdf/NAHARCAPPOINTMENTANDREMUNERATIONPOLICY.pdf).

There has been no change in the Policy since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### **BOARD MEETINGS**

During the year under review, the Board of Directors of the Company met four times i.e. 31<sup>st</sup> May, 2021, 2<sup>nd</sup> August, 2021, 9<sup>th</sup> November, 2021 and 3<sup>rd</sup> February, 2022 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 8<sup>th</sup> November, 2021, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. At the Meeting, they –

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

### **FAMILIARISATION PROGRAMS FOR BOARD MEMBERS**

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

accessed at: [http://www.owmnahar.com/nahar\\_cf/pdf/Familiarization-Program2022A.pdf](http://www.owmnahar.com/nahar_cf/pdf/Familiarization-Program2022A.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 (Listing Obligations and Disclosure Requirements) 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 31<sup>st</sup> March, 2022. 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 31<sup>st</sup> March, 2022 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**

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.ownahar.com](http://www.ownahar.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 as amended, 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. Dr. Vijay Asdhir, Dr. S.K. Singla and Mr. S.K. Sharma as members as on 31<sup>st</sup> March, 2022. The Board in its Meeting held on 3<sup>rd</sup> February, 2022 approved the appointment of Dr. Roshan Lal Behl as a member of the Audit Committee w.e.f. 1<sup>st</sup> April, 2022. Mrs. Anjali Modgil is the Secretary of the Committee. The Committee held four meetings during the year under review. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

**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 victimization 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@ownahar.com](mailto:whistleblowerncfs@ownahar.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://ownahar.com/nahar\\_cf/pdf/vigil\\_mechanism.pdf](http://ownahar.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 July 14, 2022 has reaffirmed the rating "[ICRA] A1+" (pronounced ICRA A one plus<sup>+</sup>) 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. for 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. 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 31<sup>st</sup> March, 2022.

Further, a report on the performance and financial position of each of the Associate Company as per the Companies Act, 2013 in the Form AOC-1 is annexed to the Financial Statements for the year ended 31.03.2022.

**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@owmnaahar.com or gredressalnfcsl@owmnaahar.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., 25<sup>th</sup> 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 2022-23.

#### **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 31<sup>st</sup> March, 2022, 98.74% of the total Equity Share Capital of the Company has been dematerialized.

Pursuant to Regulation 40 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with the 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, the 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/transmission, 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, Jhandelwala Extension  
NEW DELHI-110055

Telephone No : (011)42541234

Fax No. : (011)42541201

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.

#### **BUSINESS RISK MANAGEMENT**

As per the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Top 1000 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 as on 31<sup>st</sup> March, 2022 the company falls under the category of Top 1000 listed entities. However, the Company being essentially an Investment Company, its main source of income is dividend income / 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. Hence, the Company has already constituted the Risk Management Committee pursuant to the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015. Risk Management Committee comprised of three non-executive directors namely; Dr. S.K. Singla, as Chairman and Dr. Roshan Lal Behl and Mr. Dinesh Gogna 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/management of the same as per Company's Risk Management Policy. The Risk Management Committee met four times during the financial year under review.

Further, to monitor and manage the risk associated with the Company's investment business, the Company has developed and implemented a Risk Management Policy including therein identification and risk mitigation measures. The Policy is also posted on Company's website i.e. www.owmnaahar.com.

#### **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. Thus, their period of office will complete on the conclusion of ensuing Annual General Meeting scheduled to be held on 24th August, 2022.

In compliance with the provisions of Section 139 of Companies Act, 2013, the Board on the recommendation of the Audit Committee have approved the appointment of M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of this AGM till the conclusion of 22nd AGM to be held in the year

2027. The appointment is subject to approval of the shareholders of the Company. They have expressed their willingness for appointment as Statutory Auditors of the Company and have given a written consent / certificate regarding eligibility for their re-appointment as Statutory Auditors in accordance with the Rule 4 of the Companies (Audit and Auditors) Rule, 2014 read with the provisions of Section 139 of the Companies Act, 2013. The Resolution for their appointment has been proposed for your approval in the accompanying Notice.

**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 31<sup>st</sup> March, 2022. There were no qualifications, reservations, adverse remarks or disclaimers in the Report. The observations and comments given by Auditors in their Report read together with the Notes to the Financial Statements are self explanatory and require no comments.

No frauds were reported by the Auditors under Section 143(12) of the Companies Act, 2013.

**Secretarial Auditor:** The Board pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s. P.S. Bathla and Associates, a Practicing Company Secretaries, having Certificate of Practice No. 2585 to conduct the Secretarial Audit of the Company for the financial year 2022-23.

M/s. P.S. Bathla and Associates, Practicing Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2022 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.

**SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards i.e. SS1 and SS2 relating to the Meetings of Board of Directors and General Meetings, respectively, issued by the Institute of Company Secretaries of India.

**INTERNAL FINANCIAL CONTROL AND SYSTEM**

The Company is maintaining an efficient and effective system of Internal Financial Control for the facilitation of speedy and accurate compilation of financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with



laws and regulations and procedures. Further, the statutory auditors of the Company have verified the systems and processes and confirmed that the internal financial controls system over financial reporting is operating effectively.

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

The company's Internal Financial Control System commensurate with the nature of its business and the size of its operations. In order to further strengthen the Internal control system and to automate the various processes of the business, company is making use of SAP S4 HANA application, which is based on SAP HANA database. It keeps all the data in memory which results in data processing that is magnitude faster than that of disk based system, allowing for advanced, real time analytics. The Asset Liability Management (ALM) Policy 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.

#### **ANNUAL RETURN**

The Annual Return of the Company pursuant to Section 92 of the Companies Act, 2013 for the financial year 2021-22 in the Form MGT-7 has been available on the Company's website at: [http://owmnahar.com/nahar\\_cf/pdf/MGT-7\\_2022.pdf](http://owmnahar.com/nahar_cf/pdf/MGT-7_2022.pdf).

#### **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. 2,52,00,000/- (Rupees Two Crores Fifty Two Lakhs only) for the first nine months of the year i.e. from 1st April 2021 to 31st December, 2021, as approved by shareholders vide their Special Resolution dated 30th September, 2019. Thereafter, from 1st January 2022 to 31st March, 2022, he has been paid a remuneration of Rs. 92,80,000/- (Rupees Ninety Two Lakhs Eighty Thousand only) as per shareholders' approval vide their Special Resolution dated 29th September, 2021. Mr. Dinesh Oswal is 57 years of age. He is a Commerce Graduate and has business experience of more than 37 years in textile industry and financial expertise. He has been reappointed as a Managing Director for a further period of five years w.e.f 1st January, 2022 to 31st December, 2027. He is employed on contractual basis for five years w.e.f 1st January, 2022 to 31st December, 2027. Before joining the Company, he was employed with M/s. Oswal Woollen Mills Ltd. as Commercial Manager. His shareholding in the Company is 64091 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 2021-22, the Company has not received any complaint on sexual harassment and hence no complaint remains pending as of 31<sup>st</sup> March, 2022.

**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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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.

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

As stipulated under Regulation 34(2)(f) of the SEBI Listing Regulations, 2015 as amended, Business Responsibility Report ("BRR") is to be submitted by top 1,000 listed entities based on their market capitalization as on March 31, 2022, describing the initiatives taken by the listed entity from an environmental, social and governance perspective in the format as specified by SEBI from time to time. Further, as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, with effect from the financial year 2022-23, the top 1,000 listed entities based on market capitalization shall submit a business responsibility and sustainability report in the format as specified by the Board from time to time. However, the top 1,000 listed entities may voluntarily submit a business responsibility and sustainability report in place of the mandatory business responsibility report for the financial year 2021-22. Accordingly, the Company has voluntarily decided to submit the Business Responsibility and Sustainability Report for the financial year 2021-22. Hence, the Business Responsibility and Sustainability Report, is enclosed as per Annexure-VI and form part of this Report.

**HUMAN RESOURCE/INDUSTRIAL RELATIONS**

The Company recognizes human resource 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 Company's employees at all levels have extended their whole hearted co-operation for the excellent performance of the Company.

**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: 23<sup>RD</sup> JULY, 2022**

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

**Annexure I**
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

**1. A brief outline of the Company's CSR policy:**

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 11<sup>th</sup> 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. It has already registered itself with the Ministry of Corporate Affairs with vide Registration No. CSR0000145 for undertaking CSR activities. The details of Company's CSR policy are available on its website i.e. [www.owmnahtar.com/nahar\\_cf/pdf/CSR-POLICY.pdf](http://www.owmnahtar.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;

Sl No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Dinesh Oswal	Chairman / Managing Director	3	3
2.	Dr. S.K. Singla	Member / Independent Director	3	3
3.	Mr. Dinesh Gogna	Member / Director	3	3

**3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

Composition of CSR Committee	<a href="http://www.owmnahtar.com/nahar_cf/committees-of-directors.php">http:// www.owmnahtar.com/nahar_cf/committees-of-directors.php</a>
CSR Policy	<a href="http://www.owmnahtar.com/nahar_cf/pdf/CSR-POLICY.pdf">http://www.owmnahtar.com/nahar_cf/pdf/CSR-POLICY.pdf</a>
CSR projects approved by the Board	<a href="http://www.owmnahtar.com/nahar_cf/pdf/CSR-PROJECT.pdf">http://www.owmnahtar.com/nahar_cf/pdf/CSR-PROJECT.pdf</a>

**4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

As per Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to undertake impact assessment, through an independent agency, of the CSR Project. However, to monitor and supervise the Company's CSR Project undertaken by the Oswal Foundation, the CSR Committee has entrusted the responsibility to one of its Committee member to conduct the impact assessment of the CSR Project undertaken by the Oswal Foundation and report the same to the CSR Committee/Board.

**5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Nil**
**6. Average net profit of the Company for last three financial years: Rs. 2307.67 Lakhs**
**7. (a) Two percent of average net profit of the Company as per Section 135(5):** Rs. 46.15 Lakhs

**(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years:** Nil

**(c) Amount required to be set-off for the financial year, if any:** Nil

**(d) Total CSR obligation for the financial year (7a+7b-7c):** Rs. 46.15 Lakhs

**8. (a) CSR amount spent or unspent for the financial year:** (Rs. in Lakhs)

Total amount spent for the financial year	Amount unspent (in Rs. in Lakhs)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
46.15	Nil	NA	NA	Nil	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year:**



To fulfill its obligation under CSR, the Board on the recommendation of CSR Committee decided to contribute an amount of Rs. 46.15 Lakhs to the Oswal Foundation for undertaking Health Care projects as approved by the consortium of the Group Companies formed to undertake CSR activities through Oswal Foundation. The Foundation has undertaken "Health Care Project of Modernisation of Synergy Linear Accelerator", as approved by the consortium at approximate cost of Rs. 4 Crores, at Mohan Dai Oswal Cancer Treatment & Research Foundation, Ludhiana. The details of ongoing CSR project, being undertaken by M/s. Oswal Foundation on behalf of the Company is as under:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (Yes /No)	(5) Location of the project		(6) Project Duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent in the current financial year (in Rs.)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number

- (c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil
- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 46.15 Lakhs
- (g) Excess amount for set off, if any

SI No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per Section 135(5)	Rs. 46.15 Lakhs
(ii)	Total amount spent for the Financial Year	Rs. 46.15 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

- 9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: No capital asset was created or acquired during the financial year 2021-22 through CSR spend.
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

PLACE: LUDHIANA  
DATE: 23<sup>RD</sup> JULY, 2022

(DINESH OSWAL)  
Managing Director/  
Chairman of CSR Committee  
(DIN: 00607290)



**Annexure II****Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH, 2022**

[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 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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/proposed 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 : 23<sup>RD</sup> July, 2022**  
**UDIN: F004391D000654271**

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

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

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

**'Annexure A'**

To  
The Members,  
Nahar 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 : 23<sup>RD</sup> July, 2022**

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

**Parminder Singh Bathla**  
**Company Secretary**  
**FCS No. 4391/C.P. No. 2585**  
**Peer Review No. 1306/2021**  
**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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 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 2021-22 (Rs.in Lakhs)	% increase in Remuneration in the Financial Year 2021-22	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	0.40	33.33	0.09	--
2	Mr. Dinesh Oswal# Managing Director	344.80	25.10	77.52	PBT decreased by 0.3% and PAT increased by 2.56% in FY 2021-22
3	Mr. Kamal Oswal Non-Executive Director	0.40	0.00	0.11	--
4	Mr. Dinesh Gogna Non-Executive Director	0.40	0.00	0.11	--
5	Mr. S.K. Sharma Non-Executive Director	0.40	0.00	0.11	--
6	Dr. Manisha Gupta Independent Director	0.40	0.00	0.11	--
7	Dr. Vijay Asdhir Independent Director	0.40	100.00	0.11	--
8	Dr. S.K. Singla Independent Director	0.40	0.00	0.11	--
9	Dr. A.S. Sohi Independent Director	0.30	50.00	0.06	--
10	Dr. Roshan Lal Behl Independent Director	0.40	100.00	0.06	--
11	Mr. Hans Raj Kapoor Chief Financial Officer	22.87	15.02	--	PBT decreased by 0.3% and PAT increased by 2.56% in FY 2021-22
12	Mrs. Anjali Modgil Company Secretary	6.64	32.30	--	

# Mr. Dinesh Oswal, Managing Director, has been paid remuneration from 1st April 2021 to 31st December, 2021 as per Shareholders approval vide their Special Resolution dated 30th September, 2019 and from 1st January 2022 to 31st March, 2022, as per shareholders' approval vide their Special Resolution dated 29th September, 2021 under Section 197 read with Schedule V of the Companies Act, 2013.

- ii) The median remuneration of employees of the Company during the financial year was Rs. 3.74 Lakhs.
- iii) In the financial year, there was an increase of

5.90% in the median remuneration of employees;

- iv) There were 20 (including 2 contractual employees) permanent employees on the rolls of Company as on March 31, 2022;
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 31.21% whereas the increase in the managerial remuneration for the same financial year is 26.12%.
- vi) It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for Directors, Key Managerial Personnel and other Employees.

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

Sr. No.	Name & Designation	Remuneration Received (Rs. in Lakhs)	Nature of employment (contractual or otherwise)	Qualification 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	344.80	Contractual	B.Com. 37 years	01.12.2007	57	Oswal Woollen Mills Ltd.	0.383	Yes 1. Mr. Jawahar Lal Oswal, 2. Mr. Kamal Oswal 3. Mrs. Ritu Oswal
2	Mrs. Ritu Oswal Advisor	24.00	Contractual	Graduate 9 years	01.11.2020	50	Nahar Spinning Mills Ltd.	0.006	Yes Mr. Dinesh Oswal
3	Mr. H.R. Kapoor CFO	22.87	Regular	CA 39 years	01.05.2008	64	Nahar Spinning Mills Ltd.	0.005	No
4	Mr. Siddharath Umesh Singh Sr. Manager (Finance)	19.30	Regular	MBA 15 years	03.09.2007	39	Welspun India Ltd.	Nil	No
5	Mr. Sunil Gupta Manager (Credit Control)	9.70	Regular	Graduate 36 years	01.05.2008	59	Nahar Fibres	Nil	No
6	Mrs. Anjali Modgil Company Secretary	6.64	Regular	CS, M.Com. 11 years	23.07.2014	34	---	Nil	No
7	Mr. Sunil Kapoor Assistant Manager (Personnel)	5.45	Regular	Graduate 33 years	01.03.2008	59	Nahar Spinning Mills Ltd.	Nil	No
8	Mr. Jayprakash Babaji Savant Office Assistant	4.16	Regular	Graduate 5 years	01.09.2010	48	Mulji Mehta Pharma	Nil	No
9	Mr. Pritpal Singh, Asstt. Accounts	4.01	Regular	B.Com. 21 years	01.03.2008	46	Nahar Spinning Mills Ltd.	Nil	No
10	Mr. Dinesh Kumar (Driver)	3.91	Regular	Under Metric 36 years	01.12.2009	58	Nahar Industrial Enterprises Ltd.	Nil	No

**FOR AND ON BEHALF OF THE BOARD**

PLACE: LUDHIANA  
DATED: 23<sup>RD</sup> JULY, 2022

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

**Annexure IV****CORPORATE GOVERNANCE REPORT**

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

**I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good CORPORATE GOVERNANCE is a key to success of business. The Company's philosophy envisages an attainment of highest level of transparency and accountability in its operations so that Company's goal of creation and maximization of wealth of the shareholders could be achieved. Moreover, Good Corporate Governance practices ensure that Company gain as well as retain the trust of Shareholders. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (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 Regulations 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. As on March 31, 2022, 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; Dr. Suresh Kumar Singla, Dr. Amrik Singh Sohi, Dr. Vijay Asdhir, Dr. Roshan Lal Behl and Dr. Manisha Gupta, a Women Independent 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 Dr. Suresh Kumar Singla (DIN: 00403423) and Dr. Amrik Singh Sohi (DIN: 03575022), were re-appointed as Independent Directors for a second term by the Shareholders vide their Resolution dated September 26, 2017, to hold office for five consecutive years for a term upto September 25, 2022. Thus, their period of office shall expire on September 25, 2022. The Board places on record its appreciation towards valuable contribution made by Dr. Suresh Kumar Singla (DIN: 00403423) and Dr. Amrik Singh Sohi (DIN: 03575022) during their tenure as Independent Directors of the Company.
- Further, Dr. Vijay Asdhir (DIN: 006671174) and Dr. Manisha Gupta (DIN: 06910242) was appointed as Independent Directors by the Shareholders vide their Resolution dated September 26, 2017, to hold office for five consecutive years upto September 25, 2022. Thus, their period of office for first term shall expire on September 25, 2022. The Board, on the recommendation of Nomination and Remuneration Committee and report of performance evaluation, has decided to recommend their re-appointment as Independent Directors to hold office for a second term of five consecutive years i.e. upto September 25, 2027.
- These 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. Yash Paul Sachdeva (DIN: 02012337) and Dr. Rajan Dhir (DIN: 09632451) as Independent Directors of the Company to hold office for five consecutive years for a term upto August 23, 2027.



**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 would like to report that the Company held four Board Meetings during the year i.e. on 31<sup>st</sup> May, 2021, 2<sup>nd</sup> August, 2021, 9<sup>th</sup> November, 2021 and 3<sup>rd</sup> February, 2022 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 Wednesday, the 29<sup>th</sup> day of September, 2021 and the number of directorship and committee chairmanships/memberships held by them in other public companies as on 31<sup>st</sup> March, 2022 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	8	0	0	4	NO	40012	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	6	0	0	4	YES	64091	a) Nahar Industrial Enterprises Ltd. b) Nahar Poly Films Ltd. c) Nahar Spinning Mills Ltd.	Director
Mr. Kamal Oswal	Non Executive, Promoter	8	1	0	4	NO	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	8	8	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
Dr. S.K. Singla	Independent	5	6	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) Kovalam Investment and Trading Co. Ltd.	Independent Director
Dr. Amrik Singh Sohi	Independent	2	2	0	3	YES	NIL	a) Nahar Poly Films Ltd. b) Nahar Spinning Mills Ltd.	Independent Director



Dr. Manisha Gupta	Independent	7	7	1	4	YES	NIL	a) Nahar Poly Films Ltd. b) Nahar Spinning Mills Ltd. c) Monte Carlo Fashions Ltd. d) Nahar Industrial Enterprises Ltd.	Independent Director
Dr. Vijay Asdhir	Independent	2	2	2	4	YES	NIL	a) Nahar Poly Films Ltd b) Nahar Spinning Mills Ltd.	Independent Director
Dr. Roshan Lal Behl	Independent	5	6	4	4	YES	NIL	a) Nahar Spinning Mills Ltd b) Nahar Industrial Enterprises Ltd. c) Monte Carlo Fashions Ltd. d) Oswal Leasing Ltd.	Independent Director

Membership includes Chairmanship

**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 31<sup>st</sup> March, 2022, 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:**

Mr. Jawahar Lal Oswal who is Chairman of the Company is holding 40012 equity shares of Rs. 5/- each of the Company. Mr. Dinesh Oswal who is a Managing Director of the Company is holding

64091 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-Program2022A.pdf](http://www.ownahar.com/nahar_cf/pdf/Familiarization-Program2022A.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	√	√	√	√	√	√	√	√	√
Dr. Roshan Lal Behl	√	√	√	√	√	√	√	√	√

**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 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 atleast one meeting in a year without the attendance of Non Independent Directors and members of Management. We would like to report that the Company's Independent Directors met on 8<sup>th</sup> November, 2021, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. At the Meeting, they –

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;

- iii. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

**III. BOARD COMMITTEES**

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee, CSR Committee, Risk Management Committee, Investment Committee, Asset Liability Management Committee and IT Strategy Committee which help the Board in good Corporate Governance. The recommendations of the Committees are submitted to the Board for their consideration and approval. During the year under review, all recommendations of Committees were approved by the Board.

**1. AUDIT COMMITTEE**

**a. Brief Description of Terms of Reference:**

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

**b. Composition:**

The Audit Committee comprised of three Non-Executive Directors under the Chairmanship of Dr. Vijay Asdhir, 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. Dr. Vijay Asdhir is Post Graduate in

Commerce and Ph.D. and has more than 38 years of experience in Teaching Accounting and Business Administration. Accordingly, Dr. Vijay Asdhir is financially literate and has required accounting and financial management related expertise. Mr. S.K. Sharma is an MBA and is having requisite experience in Financial and Accounting matters. Likewise, 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. 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 2021-22, the Committee met four times i.e. on 31<sup>st</sup> May, 2021, 2<sup>nd</sup> August, 2021, 9<sup>th</sup> November, 2021 and 3<sup>rd</sup> February, 2022, for reviewing and adopting the quarterly un-audited financial results as well as the annual financial statements 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 2021-22 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. Vijay Asdhir	4	4
Mr. S.K. Sharma	4	4
Dr. S.K. Singla	4	4

**2. NOMINATION & 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 is made 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 comprised of three Independent Directors namely; Dr. S.K. Singla as the Chairman and Dr. Roshan Lal Behl and Dr. Manisha Gupta as the members of the Committee. There is no change in the composition of the Committee during the year.

**c. Meetings and Attendance:**

The Nomination and Remuneration Committee met two times i.e. on 29<sup>th</sup> May, 2021 and 31<sup>st</sup> July, 2021 during the year under review. The attendance record of the Members at the Meetings held during the year 2021-22 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. S.K. Singla	2	2
Dr. Roshan Lal Behl	2	2
Dr. Manisha Gupta	2	2

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

The performance evaluation criteria for Independent Directors are 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 2021-22 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
Dr. S.K. Singla	40,000.00
Dr. Amrik Singh Sohi	30,000.00
Dr. Vijay Asdhir	40,000.00
Dr. Manisha Gupta	40,000.00
Dr. Roshan Lal Behl	40,000.00
<b>Total</b>	<b>3,50,000.00</b>

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:

● **Elements of remuneration package**

The elements of remuneration package paid to Mr. Dinesh Oswal, Managing Director of the Company, during the year 2021-22 is as follows:

(Rs. in Lakhs)

Name of Director	Salary	Benefits	Bonuses	Stock Option	Pension	Total
Mr. Dinesh Oswal	344.80	--	--	--	--	344.80

\*Mr. Dinesh Oswal, Managing Director, has been paid remuneration from 1<sup>st</sup> April 2021 to 31<sup>st</sup> December, 2021 as per Shareholders approval vide their Special Resolution dated 30<sup>th</sup> September, 2019 and from 1<sup>st</sup> January 2022 to 31<sup>st</sup> March, 2022, as per shareholders' approval vide their Special Resolution dated 29<sup>th</sup> September, 2021 under Section 197 read with Schedule V of the Companies Act, 2013.

● **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.

● **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.

● **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/transmission of shares, Non-receipt of Dividend, Share Certificates, Annual Reports etc. and recommends measures for improving the quality of investor services. The Committee also oversees the performance of M/s. Alankit Assignments Ltd., the Registrar and Transfer Agent of the Company. The main objective of the Committee is to assist the Board and Company in maintaining healthier relationship with all stakeholders.

b. **Composition:**

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

c. **Meetings and Attendance**

The Committee met four times i.e. on 29<sup>th</sup> May, 2021, 31<sup>st</sup> July, 2021, 8<sup>th</sup> November, 2021 and 2<sup>nd</sup> February, 2022 during the year under review. The attendance record of the Members at the Meetings held during the year 2021-22 is as under:

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

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 financial year : NIL
- No. of complaints resolved during the financial year : NIL
- No. of complaints not solved to the satisfaction of shareholders : NIL
- No. of complaints pending as on 31<sup>st</sup> March, 2022 : NIL

**f. Dedicated e-mail for Investor Grievance**

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

**4. SHARE TRANSFER COMMITTEE**

The Company has also constituted a Share Transfer Committee comprising of 4 (four) members under the Chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Mr. Dinesh Gogna, Non-Executive Director, Dr. Roshan Lal Behl, 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 ten times during the year under review i.e. 30<sup>th</sup> April, 2021, 1<sup>st</sup> June, 2021, 30<sup>th</sup> June, 2021, 15<sup>th</sup> July, 2021, 31<sup>st</sup> July, 2021, 16<sup>th</sup> August, 2021, 13<sup>th</sup> September, 2021, 30<sup>th</sup> September, 2021, 15<sup>th</sup> October, 2021, 17<sup>th</sup> November, 2021, 1<sup>st</sup> December, 2021, 17<sup>th</sup> December, 2021, 31<sup>st</sup> December, 2021, 31<sup>st</sup> January, 2022, 15<sup>th</sup> March, 2022 and 31<sup>st</sup> March, 2022 and the attendance record of the Members at the Meetings held during the year 2021-22 is as under:

Name of member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	16	16
Mr. Dinesh Gogna	16	16
Dr. Roshan Lal Behl	16	16
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](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 Listing Regulations, M/s. Alankit Assignments Ltd., is the 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/ Transmission, 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, as amended. 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](http://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.

**g. Meetings and Attendance**

During the year under review, the Committee met three times i.e. on 29<sup>th</sup> May, 2021, 31<sup>st</sup> July, 2021 and 25<sup>th</sup> January, 2022. The attendance record of the Members at the Meetings held during the year 2021-22 is as under:

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

The CSR Report as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended for the financial year ended 31<sup>st</sup> March, 2022 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 1000 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 falls under the said category as on 31<sup>st</sup> March, 2022. 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 already constituted Risk Management Committee pursuant to the RBI Directions.

The Committee comprised of three non-executive directors under the Chairmanship of Dr. S.K. Singla, Mr. Dinesh Gogna and Dr. Roshan Lal Behl, 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. There is no change in the composition of the Committee during

the year.

During the year under review, the Committee met four times i.e. on 29<sup>th</sup> May, 2021, 31<sup>st</sup> July, 2021, 8<sup>th</sup> November, 2021 and 2<sup>nd</sup> February, 2022. The attendance record of the Members at the Meetings held during the year 2021-22 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Dr. S.K. Singla	4	4
Mr. Dinesh Gogna	4	4
Dr. Roshan Lal Behl	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 and 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 comprised of three directors namely; Mr. Dinesh Oswal as Chairman, Mr. Dinesh Gogna, Non-Executive Director and Dr. Vijay Asdhir, Independent Director are other members of the Committee. There is no change in the composition of the Committee during the year. During the year under review, the Committee met six times i.e. on 28<sup>th</sup> April, 2021, 18<sup>th</sup> June, 2021, 30<sup>th</sup> June, 2021, 25<sup>th</sup> August, 2021, 22<sup>nd</sup> October, 2021 and 31<sup>st</sup> January, 2022.

The attendance record of the Members at the Meetings held during the year 2021-22 is as under:

Name of Member	No. of Meetings Held	No. of Meetings Attended
Mr. Dinesh Oswal	6	6
Mr. Dinesh Gogna	6	6
Dr. Vijay Asdhir	6	6

**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 comprised of Mr. Dinesh

Oswal as Chairman, Mr. S.K Sharma and Dr. Roshan Lal Behl, as the members of the Committee. There is no change in the composition of the Committee during the year. During the year under review, the Committee met twice i.e. on 29<sup>th</sup> May, 2021 and 3<sup>rd</sup> November, 2021. The attendance record of the Members at the Meetings held during the year 2021-22 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
Dr. Roshan Lal Behl	2	2

#### 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 14<sup>th</sup> May, 2021 and 8<sup>th</sup> November, 2021. The attendance record of the Members at the Meetings held during the year 2020-21 is as under:

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

#### IV. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2018-2019	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2019	12.00 Noon
2019-2020	Through Video Conferencing/ Other Audio Visual Means	29.09.2020	2.00 p.m.
2020-2021	Through Video Conferencing/ Other Audio Visual Means	29.09.2021	12.30 p.m.

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

**2018-2019** To approve the payment of Minimum Remuneration to Mr. Dinesh Oswal, Managing Director, in case of no profits or inadequacy of profits.

**2019-2020** No Special Resolution was passed

**2020-2021**

- To approve Re-Appointment of Mr. Dinesh Oswal (Din: 00607290) as a Managing Director of The Company;
- To approve continuation of holding of office as Independent Director by Dr. Amrik Singh Sohi (Din: 03575022), upon attaining the age of 75 years; and
- To approve continuation of holding of office as an Independent Director by Dr. Vijay Asdhir (Din: 06671174), upon attaining the age of 75 years.

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

No Special Resolution was passed during the financial year ended 31.03.2022 through postal ballot.

##### iv. Person who conducted the postal ballot exercise:

Not applicable as no special resolution was passed during the financial year ended 31.03.2022 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 submitted immediately by uploading on the website



of BSE Limited and National Stock Exchange of India Limited, on which the Company's shares are listed.

**b. Newspapers wherein results normally published:**

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

**c. Any website, where displayed:**

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

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

**d. Whether it also displays official news releases:**

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

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

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

**VI. GENERAL SHAREHOLDERS INFORMATION**

**a. Annual General Meeting**

**Date** : 24<sup>th</sup> August, 2022  
**Day** : Wednesday  
**Time** : 12.30 p.m.  
**Venue** : The Company is conducting the Meeting through Video Conferencing/Other Audio Visual Means as permitted by Ministry of Corporate Affairs. Hence, the venue of the Meeting shall be deemed to be the registered office of the Company. For details please refer to the Notice of this AGM.

**b. Financial Year** : Financial year of the Company comprises of twelve months i.e. 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022

**c. Dividend Payment Date** : On or before 10<sup>th</sup> September 2022

**d. Date of Book Closure** : 13<sup>th</sup> August, 2022 to 16<sup>th</sup> August, 2022 (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) 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.
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The listing fees payable to BSE and NSE for 2022-23 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 2022-23 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, 2021 to March, 2022 are as follows:

Month	BSE		NSE	
	High	Low	High	Low
April, 2021	113.00	7.00	113.25	87.05
May, 2021	133.00	98.00	135.10	92.85
June, 2021	187.70	128.05	188.00	127.25
July, 2021	325.85	175.35	326.40	176.00
August, 2021	425.00	228.20	423.70	225.10
September, 2021	285.00	249.05	280.00	250.35
October, 2021	312.00	263.30	309.00	264.25
November, 2021	376.60	281.30	374.55	278.00
December, 2021	384.00	285.55	385.00	283.60
January, 2022	503.25	358.10	503.70	358.00
February, 2022	588.60	398.20	588.00	402.00
March, 2022	655.85	431.25	654.80	430.00

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, 2021 to March, 2022 is as under:

Year 2021-22	Share Prices of Nahar Capital and Financial Services Limited				BSE Sensex			
	Highest	Lowest	Closing	% Change over last Month's Closing	Highest	Lowest	Closing	% Change over last Month's Closing
April, 2021	113.00	87.00	100.10	-5.25	50375.77	47204.50	48782.36	-1.47
May, 2021	133.00	98.00	124.95	24.83	52013.22	48028.07	51937.44	6.47
June, 2021	187.70	128.05	179.90	43.98	53126.73	51450.58	52482.71	1.05
July, 2021	325.85	175.35	312.25	73.57	53290.81	51802.73	52586.84	0.20
August, 2021	425.00	228.20	271.00	-13.21	57625.26	52804.08	57552.39	9.44
September, 2021	285.00	249.05	271.75	0.28	60412.32	57263.90	59126.36	2.73
October, 2021	312.00	263.30	304.50	12.05	62245.43	58551.14	59306.93	0.31
November, 2021	376.60	281.30	292.85	-3.83	61036.56	56382.93	57064.87	-3.78
December, 2021	384.00	285.55	362.65	23.83	59203.37	55132.68	58253.82	2.08
January, 2022	603.25	358.10	414.75	14.37	61475.15	56409.63	58014.17	-0.41
February, 2022	588.60	398.20	438.25	5.67	59618.51	54383.20	56247.28	-3.05
March, 2022	655.85	431.25	592.30	35.15	58890.92	52260.82	58568.51	4.13

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 27<sup>th</sup> 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/ Transmission, 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, Dr. Roshan Lal Behl, Directors and Mrs. Anjali Modgil, Company Secretary of the Company. Share Transfer Committee meets once/twice in a month to approve the transmission / transposition / change of name, issue of duplicate share certificates & dematerialization of shares as per the procedure prescribed under the Companies Act, 2013 / Listing Regulations.

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

## m. Distribution of Shareholding

As on 31<sup>st</sup> March, 2022, your Company had 13736 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 Shareholders	Aggregate shares held	Percentage of share holding
1-500	12768	92.95	1133606	6.77
501-1000	534	3.89	395119	2.36
1001-2000	211	1.54	304893	1.82
2001-3000	71	0.52	173705	1.04
3001-4000	33	0.24	115343	0.69
4001-5000	39	0.28	179440	1.07
5001-10000	31	0.23	217706	1.30
10001 and above	49	0.35	14226355	84.95
<b>Total</b>	<b>13736</b>	<b>100.00</b>	<b>16746167</b>	<b>100.00</b>

## n. Shareholding Pattern as on March 31, 2022

Shares held by	No. of Shares	Percentage of Shareholding
Banks and Mutual Funds	3362	0.02
Foreign holdings (FPIs, NRIs)	207234	1.24
Body Corporates	505206	3.02
General Public	3923743	23.43
Promoter	11968846	71.47
Shares Transferred to IEPF	137776	0.82
<b>Total</b>	<b>16746167</b>	<b>100.00</b>

**o. Dematerialisation of Shares and Liquidity:**

The Securities and Exchange Board of India (SEBI) has included Company's scrip in compulsory Demat settlement for all type of investors. Thus, the dealing in Company's equity shares can be in Demat form only. To facilitate holding and trading of securities in electronic form, your Company has established connectivity with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). The investors have an option to dematerialize their equity shares with either of the Depositories. As on 31<sup>st</sup> March, 2022, 1,65,36,769 comprising 98.74% 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@owmnahar.com  
Website : www.owmnahar.com

**t. Credit Ratings:**

As on 31<sup>st</sup> March, 2022, the Company has obtained credit rating of "[ICRA]A1+" (pronounced as ICRAA 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](http://owmnahar.com/nahar_cf/pdf/vigil_mechanism.pdf).

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

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

- i. **Un-modified opinion(s) in audit report:** The Company is already in a regime of financial statements with un-modified audit opinion.
- ii. **Separate post of Chairperson and the Managing Director:** Mr. Jawahar Lal Oswal is the Chairman of the Company and Mr. Dinesh Oswal is Managing Director of the Company. Thus, the post of Chairman and Managing Director are held by different persons.
- iii. **Reporting of internal auditor:** The internal auditor of the Company may report directly to the Audit Committee.

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

**5. Web link where policy for determining 'material' subsidiaries is disclosed:**

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

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

The Company has formulated the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, which can be accessed at [http://owmnahar.com/nahar\\_cf/pdf/RPT-NAHAR-CAPITAL.pdf](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 2021-22, 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. 98,810/- which includes Audit Fees and certification charges during the year 2021-22.

**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, 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:**

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) 2015 as amended, the Company has adopted the Dividend Distribution Policy setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Dividend Distribution Policy is available on the website of the Company at [http://www.owmnaahar.com/naahar\\_cf/pdf/Dividend\\_Distribution\\_Policy.pdf](http://www.owmnaahar.com/naahar_cf/pdf/Dividend_Distribution_Policy.pdf).

**15. Business Responsibility and Sustainability Report:**

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that top 1000 listed entities based on market capitalization shall submit a Business Responsibility Report in the format as specified by SEBI or Business Responsibility and Sustainability Report voluntarily for the financial year 2021-22 in place of mandatory Business Responsibility Report. We would like to inform you that company as on 31<sup>st</sup> March, 2022 falls in list of top 1000 listed entities based on market capitalization. For ensuring standardized disclosure on ESG parameters and to be early adopter of BRSR, company has formulated a Business Responsibility and Sustainability Report in the format as specified by SEBI. The Company has attached the Business Responsibility and Sustainability Report with the Director's Report as Annexure VI.

**16. Insurance Policy for Directors and Officers:**

As per Regulation 25(10) of Listing Regulations, top 1000 listed entities are required to undertake Director and Officer Insurance Policy. Since the Company falls in the list of top 1000 listed entities, thus Company has already taken Directors and Officers insurance ('D and O insurance') Policy.

**17. Reconciliation of Share Capital Audit:**

Pursuant to Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, every issuer company shall submit audit report on a quarterly basis for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued 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.

**18. 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 25.05.2022.

**19. Disclosure of Loans and Advances:**

The disclosure in relation to Loans and Advances (in the nature of loan) provided by the Company to firms/companies in which its Directors are interested are given in the 'Notes to Financial Statements'.

**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 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.ownahar.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.

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

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

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

**FOR AND ON BEHALF OF THE BOARD**

- a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil

**PLACE: LUDHIANA  
DATED: 23<sup>RD</sup> JULY, 2022**

**JAWAHAR LAL OSWAL  
(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  
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 31<sup>st</sup> March, 2022.

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**

**PLACE: LUDHIANA  
DATED: 23<sup>RD</sup> JULY, 2022  
UDIN: F004391D000654403**

**Sd/-  
P.S. Bathla  
(Proprietor)  
FCS: 4391/CP No. 2585  
Peer Review No.: 1306/2021**

**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 31<sup>st</sup> March, 2022.

**Place: LUDHIANA**  
**Dated: 23<sup>RD</sup> JULY, 2022**

**DINESH OSWAL**  
**(MANAGING DIRECTOR)**  
**(DIN: 00607290)**

**CERTIFICATE ON CORPORATE GOVERNANCE**

*(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members,  
Nahar Capital and Financial Services Limited  
Ludhiana

We have examined the report of corporate governance presented by the Board of Directors of **NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED** for the year ended 31<sup>st</sup> March, 2022 as stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the same.

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

**PLACE: LUDHIANA**  
**DATED: 23<sup>RD</sup> JULY, 2022**  
**UDIN: F004391D000654370**

**Sd/-**  
**P.S. Bathla**  
**(Proprietor)**  
**FCS: 4391/CP No. 2585**  
**Peer Review No.: 1306/2021**

**Annexure V**
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
**Economic Overview**

The Indian economy recovered in line with the recovery from the COVID19 pandemic in FY 2021-22 that had commenced in the second half of FY 2020-21, albeit interrupted by a virulent second wave of infections and a relatively milder third wave. Headline inflation spiked on repetitive supply shocks and continued lockout in some cities of China during the year, though mild reversion was also evident. Monetary and credit conditions evolved in sync with the accommodative monetary policy stance, although global spillovers towards the close of the year led to some tightening in financial conditions and heightened volatility in financial markets. India's Fiscal Deficit in FY 2021-22 is estimated at 6.9 per cent of GDP and it is estimated at 6.4 per cent in FY 2022-23. A robust recovery in tax revenues helped contain the gross fiscal deficit close to budgetary targets.

The sharp rebound and recovery of the economy is reflective of India's strong resilience. India's real Gross Domestic Product (GDP) growth in FY 2021-22 was 8.7% after contracting by 6.6% in FY 2020-21 and GDP growth is estimated at 7.2% for FY 2022-23 by Reserve Bank of India. This implies that overall economic activity has recovered past the pre-pandemic levels. Boost in rural consumption is expected on the back of normal monsoon, as predicted by the Indian Meteorological Department (IMD) and rebound in contact intensive services will sustain urban consumption. The capital investment holds the key to speedy and sustained economic revival and consolidation through its multiplier effect. The "Effective Capital Expenditure" is estimated at Rs. 10.68 Lakh Crore in FY 2022-23, which will be about 4.1 per cent of GDP. PM GatiShakti- National Master Plan for Multi-modal Connectivity will act as impetus for economic growth and sustainable development. The introduction of Digital Rupee by the Government of India will lead to a more efficient and cheaper currency management system. According to the IMF, India will remain the world's fastest-growing major economy from 2021 to 2024.

*\*Source: RBI Monetary Policy Statement, 2022-23 Resolution of the Monetary Policy Committee and Budget Speech of Ministry of Finance 2022-23*

**Industry Structure and Developments**

Non-Banking Financial Companies (NBFCs) sector plays an extremely crucial role in the development of an economy's core infrastructure by providing a fillip to employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society and promoting financial inclusion. By offering quicker funds and credit to the Indian trade and commerce industry, these entities are enabling the nation-wide growth of large infrastructure projects. Furthermore, small businesses, start-ups, and MSMEs/SSIs are dependent on funds offered by NBFCs.

Further, NBFCs would often take a lead in innovating and customizing the financial services to fund various industries. Their role in providing assistance and guidance during emergencies cannot be ignored either. These financial companies bring much-needed diversity to the market by diversifying the risks, increasing liquidity in the markets thereby bringing efficiency and promoting financial stability to the financial sector. To keep pace with the same, regulations have also evolved to address various accompanying risks and concerns. Accordingly, the Reserve Bank of India (RBI) vide its Circular dated October 22, 2021 introduced the scale based regulatory framework aligning it with the changing risk profile of NBFCs while addressing systemic risk issues by categorizing the NBFCs into four layers - Base Layer, Middle Layer, Upper Layer, and Top Layer w.e.f. October 01, 2022. A scale-based regulatory framework, proportionate to the systemic significance of NBFCs, will be an optimal approach where the level of regulation and supervision will be a function of the size, activity, and riskiness of NBFCs.

Presently, 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**

During the year 2021-22, the Indian financial markets remained vibrant amidst easy liquidity conditions,



although the severe second wave of the pandemic during April-May 2021 dampened sentiments. The equity market continued to register double-digit growth in 2021-22 in sync with global peers with optimism on large scale vaccine rollouts and resurgence in economic activity. Sustained support from monetary and fiscal measures cushioned domestic equities and initial public offerings (IPOs) and follow-on public offers (FPOs) recharged investor ebullience while containing movements in bond yields. Despite a sell-off in global equities, the domestic equity market shows resistance, mainly due to continuous domestic investment flows and announcements of the extension of production-linked incentive (PLI) scheme for various sectors by the government, setting up of the National Asset Reconstruction Company (NARCL) and relief measures for the telecom sector.

Global developments like Russian Ukraine War, Sanctions imposed on Russia by USA, highest inflation in USA and Europe, higher Bond yields in USA and increase in interest rates globally etc. are posing severe threat to financial markets. The Reserve Bank of India has also increased the policy repo rate by 40 basis points in May, 2022 followed by increase of 50 basis points in June, 2022 considering the projections of inflation to remain above the upper tolerance level of 6 per cent through the first three quarters of 2022-23 due to global growth risks and geopolitical tensions. Going forward, financial markets may face considerable uncertainty and tightening of global financial conditions. Inflation concerns amid growth worries have magnified the risks to emerging market currencies, with the risk of global spillovers. Even as near-term growth is poised for moderation as RBI estimates real growth at 7.2% for FY 2022-23, domestic growth drivers are expected to improve considerably in the longer term, supported by the government's infrastructure push.

Your Company identifies profitable investment opportunities in the capital market segment, diversify its revenue stream and scale up its operations in a prudent manner, while maintaining adequate risk management systems and profitability. Your Company foresees and is cautious of all the economic and financial threats globally as well as domestically, 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, REITS, Next Generation PE and VC funds, Funds investing in Digital Disruptive Technology and also in funds having exposure to overseas markets and focus on new business/Startup Investment opportunities. In current volatile global scenario and fast changing consumer behaviours, your Company is investing in longer duration investment opportunities compatible with new technologies like Electric Vehicles (EV's), Artificial Intelligence (AI), 5-6G Networking, Cloud Computing etc. Your Company has built a strong diversified investment base and continues to mitigate any adverse impact of any uncertainty in the short term but is well-positioned to benefit from the economic rebound expected over the next few years.

#### **Future Outlook**

The tense global geopolitical situation and the consequent elevated and volatile commodity prices impart considerable uncertainty to the domestic inflation. The negative spillovers from geopolitical tensions; elevated international commodity prices; increased supply chain disruptions; rising input costs; rising crude prices; tightening of global financial conditions; and slowdown in world economy continue to weigh on the outlook. Citing the Russia-Ukraine conflict and sanctions as well as existing COVID-19 pandemic to some extent, downside risks to growth may remain escalated and pose a significant challenge to the Indian financial and economic outlook for the short to medium run. To lead the economy on a sustained growth path, domestic consumption and investment need nurturing.

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 to keep pace with fast changing global scenarios, consumer behaviour and new technologies. 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. We look forward to the future with renewed optimism as 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**

The Company recognizes that risk is an integral and unavoidable component of business and it is committed to manage the risk in a proactive and effective manner. Being an investment company, the business of the Company is exposed to several risks viz; market risk, global risk, regulatory risk, credit risk, liquidity risk, competition risk, interest rate risk, cyber security risk etc. which can affect the returns on Company's investments and financial business in unexpected way. Currently, different and next generation investment opportunities are prevalent like REITS, VC & PE funds, nextgen opportunities etc., which are highly remunerative if we utilize expertise and experience of professional and specialized fund managers.

Considering the Company's nature of its business, it is essentially exposed to the volatility associated with capital markets. However, with the investments being well-diversified among various capital market instruments like mutual funds (both debt and equity), debentures, REITS, MLDs, VC/PE funds and equity shares, the risk is rather mitigated and managed. 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 and hires professional advisors for ensuring effective controls besides economy. Sustained efforts to strengthen the risk framework and portfolio quality have yielded consistently better outcomes for the Company.

As part of the Risk Management framework, the Company has also constituted the Risk Management Committee comprising of three Non-Executive Directors to monitor risk tolerance limits, review and analyze risk exposure related to specific issues and provides oversight of risk across the organization. The Risk Management Committee met four times during the financial year under review. The Company is having Risk Management Policy and Fair Practice Code to strengthens the investment decisions and also for better risk management.

**Internal Control Systems and Their Adequacy**

The Company is maintaining an efficient and effective system of Internal Financial Control for the facilitation of speedy and accurate compilation of financial statements. The Company's internal control

system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations as well as procedures. Further, the statutory auditors of the Company have verified the systems and processes and confirmed that the internal financial controls system over financial reporting is operating effectively.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed M/s. Piyush Singla & Associates, Chartered Accountant as Internal Auditor of the Company 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 SAP S4 HANA application, which is based on SAP HANA database. It keeps all the data in memory which results in data processing that is magnitude faster than that of disk based system, allowing for advanced, real time analytics. The Asset Liability Management (ALM) Policy 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.

**Segment wise Financial/Operational Performance**



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. During the year, the Company achieved a total income of Rs. 4988.51 Lakhs with a net profit before tax of Rs. 4096.75 Lakhs. The segment wise detailed performance has already been discussed in the Directors' Report under the column 'Financial Review'.

Your Company continued to reward shareholders with regular dividends. Based on the Company's performance, the Board of Directors have paid an interim dividend of Rs. 1.50/- per equity share (i.e. 30%) during the financial year 2021-22. The interim dividend was paid to eligible Members in November, 2021. Further, the Board of Directors, considering the growth and profitability of the Company for the financial year ended March 31, 2022, has proposed a final dividend of Rs. 1.50/- per equity share (i.e. 30%) for the year ending March 31, 2022. With this, the total dividend for the Financial Year 2021-22 will be Rs. 3/- per equity share (i.e. 60%).

#### **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 employee's strength

of the Company was 20 as on 31st March 2022.

We would also like to inform you that during the challenging period of COVID-19 pandemic, the Company has taken all possible measures duly taking care of the safety, security and health of the employees. The Company provided masks, hand sanitizer, conducted regular body temperature checkup facility at the office premises, encouraging to get vaccinated and being very vigilant on employees and essential visitors at our office. The Company has also ensured that Company's office is sanitized at regular interval to safeguard its employees.

#### **Key Financial Ratios**

The Company has identified the following ratios as applicable key financial ratios:-

<b>Ratio</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Capital to Risk-Weighted Assets Ratio (CRAR) %	97.63	97.16
CRAR - Tier I Capital (%)	97.63	97.13
CRAR - Tier II Capital (%)	0.00	0.03

#### **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: 23<sup>RD</sup> JULY, 2022**

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



**Annexure VI**

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

**SECTION A: GENERAL DISCLOSURES**

**I. Details of the listed entity:**

1.	Corporate Identity Number (CIN) of the Listed Entity	L45202PB2006PLC029968
2.	Name of the Listed Entity	Nahar Capital and Financial Services Limited
3.	Year of incorporation	2006
4.	Registered Office Address	375, Industrial Area-"A", Ludhiana, Punjab-141003
5.	Corporate Office Address	375, Industrial Area-"A", Ludhiana, Punjab-141003
6.	E-mail id	secncfs@owmnahar.com
7.	Telephone	91-161-2600701 to 705, 91-161-2606977 to 980
8.	Website	www.owmnahar.com
9.	Financial Year for which Reporting is being done	2021-22
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd & National Stock Exchange of India Limited
11.	Paid-up Capital	Rs. 837.31 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mrs. Anjali Modgil Company Secretary and Compliance officer Telephone No. +91-161-2600701 E-mail Address: secncfs@owmnahar.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for of the entity and all the entities which form a part its consolidated financial statements, taken together).	Disclosures under this report are made on a standalone basis

**II. Products/Services:**

**14. Details of business activities**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial and Insurance Service	Other Financial Activities	93.43%
2.	Real Estate	Real Estate Activities	6.57%

**15. Products/Services sold by the entity:**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Financial/Investment Activities	6430	93.43%
2.	Real Estate Activities	6810	6.57%

*The Company is primarily engaged in financial/investment activities comprising of Long Term Investment, Strategic Investments and Short Term Investment Activities/Trading Investment. Other business activities of the Company are real estate business and lending activities. The Company does not manufacture any product or provide any service.*

**III. Operations:**

16. Number of locations where plants and/or operations/offices of the entity are situated:





Location	Number of plants	Number of offices	Total
National	Not Applicable	1	1
International		-	-

**17. Markets served by the entity:**

**a. Number of locations**

Locations	Number
National (No. of States)	Not applicable as the Company is mainly in the business of making investment.
International (No. of Countries)	

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Not Applicable

**c. A brief on types of customers: Not Applicable**

**IV. Employees:**

**Note:** The Company does not have any workers and differently abled employees as defined in the guidance note on BRSR.

**18. Details as at the end of 31st March, 2022:**

**a. Employees**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1.	Permanent (D)	18	17	94.44	1	5.56
2.	Other than Permanent (E)	2	1	50.00	1	50.00
3.	Total employees (D + E)	20	18	90.00	2	10.00

**19. Participation/Inclusion/Representation of women:**

	Total (A)	No. and percentage of Females	
		No. (B)%	(B/A)
Board of Directors	10	1	10
Key Management Personnel	3	1	33.33

**20. Turnover rate for permanent employees:**

(Disclose trends for the past 3 years)

	FY 2022			FY 2021			FY 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	NIL			5.26	0.00	4.76	NIL		

**V. Holding, Subsidiary and Associate Companies (including joint ventures):**

**21. (a) Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Nahar Spinning Mills Limited	Associate Company	45.35	No
2.	Nahar Poly Films Limited	Associate Company	49.16	No

**VI. CSR Details:**

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

**(ii) Turnover:** Rs. 4988.51 Lakhs

**(iii) Net worth:** Rs. 80387.45 Lakhs

**VII. Transparency and Disclosures Compliances:**
**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022			FY 2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="http://www.owmnahar.com/nahar_cf/pdf/vigil_mechanism.pdf">http://www.owmnahar.com/nahar_cf/pdf/vigil_mechanism.pdf</a>	NIL	NIL	-	NIL	NIL	-
Investors (other than shareholders)	Not Applicable						
Shareholders	Yes As per SEBI Regulations	NIL	NIL	-	NIL	NIL	-
Employees	Yes <a href="http://www.owmnahar.com/nahar_cf/pdf/vigil_mechanism.pdf">http://www.owmnahar.com/nahar_cf/pdf/vigil_mechanism.pdf</a>	NIL	NIL	-	NIL	NIL	-
Customers	Not Applicable						
Value Chain Partners	Yes <a href="http://www.owmnahar.com/nahar_cf/pdf/vigil_mechanism.pdf">http://www.owmnahar.com/nahar_cf/pdf/vigil_mechanism.pdf</a>	NIL	NIL	-	NIL	NIL	-

**24. Overview of the entity's material responsible business conduct issues:**

Not applicable as the Company is mainly an Investment Company. Hence, there is no material business conduct and sustainability issue pertaining to environmental and social matters that may present a risk or an opportunity to the Company's business.

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	NA	Y	Y	Y	Y	Y	Y	NA
b. Has the policy been approved by the Board? (Yes/No)	Y	NA	Y	Y	Y	Y	Y	Y	NA
c. Web Link of the Policies, if available	The policies are available on the company's website i.e. <a href="http://www.owmnahar.com">www.owmnahar.com</a> under the head "Policies"								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	NA	Y	Y	Y	Y	Y	Y	NA



3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	NA	Y	Y	Y	Y	Y	Y	Y	NA
4. Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fair trade, Rainforest Alliance, Trustee) (standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	NA	N	N	N	N	N	N	N	NA
6. Performance of the entity against the specific commitments, goals and targets along - with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Governance, leadership and oversight**

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements The Company is committed towards adopting the best corporate governance practices to achieve business excellence for maximizing stakeholders' value for the long term. The Company conducts its a business efficiently through commitment to transparency and business ethics in discharging its corporate responsibilities										
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Dinesh Oswal Designation: Managing Director DIN: 00607290									
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Name: Mr. Dinesh Oswal Designation: Managing Director DIN: 00607290									

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Business Responsibility and Sustainability Report applicable to company from this respective year. Review of policies will be undertaken by Board of Directors / Committee of the Board, whenever the need arises									Whenever there will be change in the laws.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Board of Directors reviews the Statutory Compliances on applicable laws									Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable



**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE**

<b>Essential Indicators</b>					
<b>1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:</b>					
Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% age of persons in respective category by the awareness programs		
Board of Directors	1	All applicable principles	100		
Key Managerial Personnel	2	All applicable principles	100		
Employees other than BoD and KMPs	2	All applicable principles	94		
<b>2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure, 2015 and as disclosed on the entity’s website:</b>					
<b>Monetary</b>					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NA	NA	NA	NA
Settlement	NIL	NA	NA	NA	NA
Compounding fee	NIL	NA	NA	NA	NA
<b>Non-Monetary</b>					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NA	NA		NA
Punishment	NIL	NA	NA		NA
<b>3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.</b>					
Case Details		Name of the re-enforcement agencies/ judicial institutions			
<b>NOT APPLICABLE</b>					
<b>4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.</b>					
The entity does not have any specific anti-corruption or anti-bribery policy, however the company has code of conduct for its Directors, Key Managerial Personnel and Senior Management Personnel. Their affirmation to the code of code of conduct is communicated to all stakeholders by Manging Director, through a declaration in the Annual Report. The company’s employees also abide by the code of conduct, which prohibits abusive, corrupt and unfair practices.					
<b>5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:Nil</b>					
<b>6. Details of complaints with regard to conflict of interest: Nil</b>					
<b>7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.</b>					
NotApplicable					



**Leadership Indicators**

<b>1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:</b>		
<b>Total number of awareness programmes held</b>	<b>Topics / principles covered under the training</b>	<b>%age of value chain partners covered (by value of business done with such partners) under the awareness programmes</b>
NIL		
<b>2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)-If Yes, provide details of the same.</b>		
Yes, the Company has code of conduct for its Directors, Senior Management Personnel. Their affirmation to the code of code of conduct is communicated to all stakeholders by Managing Director, through a declaration in the Annual Report.		

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE:**

Not Applicable

The Company is a Non-Banking Financial Company {Non- Deposit taking Systemically Important (ND-SI)} registered with Reserve Bank of India. The Company is primarily engaged in financial/investment activities comprising of Long Term Investment, Strategic Investments and Short Term Investment Activities/Trading Investment. Other business activities of the Company are real estate business and lending activities. The Company does not produce any good or provide any service.

**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**

**Essential Indicators**

<b>1. a. Details of measures for the well-being of employees:</b>											
Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	17	Covered through ESI		17	100	Covered through ESI		NIL		NIL	
Female	1			1	100						
Total	18			18	100						
<b>Other than Permanent Employees</b>											
Male	1	NIL		NIL		NIL		NIL		NIL	
Female	1										
Total	2										
<b>b. Details of measures for the well-being of workers: Not Applicable</b>											
<b>2. Details of retirement benefits:</b>											
Benefits	FY 2022			FY 2021							
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)					
PF	90	NA	Y	90	NA	Y					
Gratuity	95	NA	Y	90	NA	Y					
ESI	15	NA	Y	29	NA	Y					
Others-Exgratia Bonus	90	NA	NA	90	NA	NA					



**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:**  
Not applicable as the Company is not having any differently abled employee and worker.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:**

Not Applicable

**5. Return to work and Retention rates of permanent employees that took parental leave:**

Not applicable as no employee of the Company has taken parental leave.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief : Yes**

**Yes/No (If Yes, then give details of the mechanism in brief)**

Permanent Employees	<p>Yes</p> <p>The Company endeavors to provide equal opportunity to each individual by evaluating him/her on its performance and ensure that there is no discrimination amongst its employees based on caste, creed, religion, disability, gender, age, sexual orientation, race, colour, ancestry, marital status and medical background.</p> <ul style="list-style-type: none"> <li>● The Company has established a Whistle Blower Policy / Vigil Mechanism to address the issues relating to ethics, bribery, corruption, sexual harassment or any discrimination of permanent employees and other than permanent employees. For this purpose the Company has a dedicated e-mail id i.e. whistleblowerncfs@owmnahar.com.</li> <li>● The company's Vigil mechanism empowers the employees and other stakeholders who have concerns about suspected misconduct, unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or ethics policy, to come forward and express their concerns without fear of punishment or unfair treatment.</li> <li>● The company has placed complaint box in the company's office and employees can also use complaint box in case of any kind of complaint.</li> </ul>
Other than Permanent Employee	<ul style="list-style-type: none"> <li>● The company has set up open door policy under which any employees can approach Vice President (Personnel) and can raise their concerns or complaint.</li> </ul>

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Not applicable as the Company does not have any management recognized employee association.

**8. Details of training given to employees:**

During the year under review, the Company has conducted various training programs, designed to meet the changing skill requirements of our employees. These programs include orientation sessions for new employees, programs conducted by various skill-enhancing, role-specific functional academies, leadership programs and other management development programs for mid-level and senior executives. Majority of the permanent Employees were part of these training programs.

**9. Details of performance and career development reviews of employees:**

Category	FY 2022			FY 2021		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
<b>Employees</b>						
<b>Male</b>	18	18	100	19	19	100
<b>Female</b>	2	2	100	2	2	100
<b>Total</b>	20	20	100	21	21	100

All the employees of the Company undergo an annual performance appraisal process.

**10. Health and safety management system:**

**A. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Keeping in view the nature of the business, as such there are no occupational health and safety risks due to the nature of the work.

**B. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Not Applicable

**C. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.**

Not Applicable



<b>D. Does all the employees of the entity have access to non-occupational medical and healthcare services? (Yes/ No) : Yes</b>						
<b>11. Details of safety related incidents, in the following format:</b>						
<b>Safety Incident/ Number</b>	<b>Category</b>	<b>FY 2022</b>		<b>FY 2021</b>		
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL		NIL		
Total recordable work-related injuries						
No. of fatalities						
High consequence work-related injury or ill-health (excluding fatalities)						
<b>12. Describe the measures taken by the entity to ensure a safe and healthy work place:</b>						
The Company's continuous endeavor is to provide a safe, productive and positive environment for our employees. There is proper provision and maintenance of fire detection, alarm and suppression systems at the office premises. Regular fire drills are also conducted in the office premises to ensure maintenance of safety standards. To prevent the spread of COVID-19, the Company took necessary precautions at its office which included vaccination of employees, sanitization facilities, social distancing, awareness about wearing masks, thermal scanners etc.						
<b>13. Number of Complaints on the following made by employees:</b>						
	<b>FY 2022</b>			<b>FY 2021</b>		
	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-
<b>14. Assessments for the year:</b>						
	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>					
Health and safety practices	100					
Working Conditions	100					
<b>15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health &amp; safety practices and working conditions.</b>						
Not applicable						

**Leadership Indicators**

<b>1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):</b>				
Yes				
<b>2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.</b>				
All the statutory dues are deducted and deposited by the Company itself.				
<b>3. Provide the number of employees having suffered high consequence work-related injury /ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:</b>				
	<b>Total no. of affected employees</b>		<b>No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment</b>	
	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2021</b>
Employees	NIL			
<b>4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No):</b>				
No such transition assistance programs are held at the Company. However, the Skill development and up-gradation is the continued activity in the Company.				

<b>5. Details on assessment of value chain partners:</b>	
	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	These parameters are not explicitly captured or measured.
Working Conditions	
<b>6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.</b>	
Not applicable	

#### Essential Indicators

<b>1. Describe the processes for identifying key stakeholder groups of the entity.</b>				
The Company has mapped its internal as well as external stakeholders to deepen its insights into their needs and expectations, and to develop sustainable strategies for the short, medium and long term. Key stakeholders identified by the Company are Shareholders /Investors, Government and Regulators and Employees.				
<b>2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.</b>				
Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board) Other	Frequency of engagement (Annually, Half yearly, Quarterly, others-please specify)	Purpose and scope of engagement including key topic and concerns raised during such engagement
Shareholders/Investors	No	Email, Newspaper, Advertisement, Website, Meetings, Notice Board	As per the requirement and in compliance of laws and regulations applicable to Company	To apprise regarding development in the Company and address/resolve their queries and to understand their expectations.
Government and Regulators	No	Email, E-filing Newspaper, Advertisement, Website		To maintains statutory records and ensure compliances of the applicable Laws, Rules and Regulations
Employees	No	Inter Office Memos, one- on-one counseling, Email, Website, Meetings, Notice Board	The Company engages with its employees on regular basis.	To provide them regular learning and skill development facility to boost their morale, develop their creativity and building a safety culture and inculcating safe work practices.

#### Leadership Indicators

<b>1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.</b>
The continuous engagement with a broad spectrum of stakeholders, helps to deepen insights into their needs and expectations, and to develop sustainable strategies for the short, medium and long term thereby enabling the Company to better serve its stakeholders. Accordingly, the feedback is shared with Board. However, the Company being an Investment Company, does not had any such consultation with stakeholders on economic, environmental, and social topics.





2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Not applicable as the Company being an Investment Company, does not had any such consultation with stakeholders on economic, environmental, and social topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Not Applicable

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

**Essential Indicators**

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022			FY 2021		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (C/D)
Permanent	18	18	100	19	19	100
Other than Permanent	2	2	100	2	2	100
<b>Total Employees</b>	20	20	100	21	21	100

2. Details of minimum wages paid to employees in the following format :

Category	FY 2022				FY 2021					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Permanent</b>	18	NA		18	100	19	NA		19	100
Male	17			17	100	18			18	100
Female	1			1	100	1			1	100
<b>Other than Permanent</b>	2	NA		NA	NA	2	NA		NA	NA
Male	1	NA		NA	NA	1	NA		NA	NA
Female	1	NA		NA	NA	1	NA		NA	NA

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) (excluding MD)	8	40,000	1	40,000
Key Managerial Personnel (KMP)	2	1,82,43,626	1	6,64,308
Employees other than BoD and KMPs	16	3,46,218	1	24,00,000

- Remuneration of MD has been included in KMP
- All the Directors except MD are paid Sitting Fees only

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes, the company has appointed Vice President (personnel) who is responsible for addressing the human rights impacts or issues caused or contributed to by the business.



<p><b>5. Describe the internal mechanisms in place to redress grievances related to human rights issues.</b> The company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its directors and employees and value chain partners. The aim of the policy is to provide a channel to the directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct. Reporting avenues have been provided for stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the Company Code, policies or law. Representations made in the reporting avenues are reviewed and appropriate action is taken on substantiated violations.</p>										
<p><b>6. Number of Complaints on the following made by employees:</b> No complaint was received regarding human rights violation during the financial year 2022 and 2021.</p>										
<p><b>7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.</b> Concerns on discrimination and harassment are dealt with confidentially. Complaints can be made without fear of reprisal and with the assurance that the Company will stand by you. The Company does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such a complaint will be subject to disciplinary action. The Company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its directors and employees to prevent adverse consequences to the complainant in discrimination and harassment cases. In Exceptional circumstances, the complainant can also approach to the Chairman of Audit Committee.</p>										
<p><b>8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)</b> The Company advocates the supremacy of Human Rights. However, no agreement and contracts have been entered against the human rights requirements.</p>										
<p><b>9. Assessments for the year:</b></p> <table border="1"> <thead> <tr> <th></th> <th><b>% of your offices that were assessed (by entity or statutory authorities or third parties)</b></th> </tr> </thead> <tbody> <tr> <td>Child labour</td> <td rowspan="6">The Company internally monitors compliances with relevant laws and policies pertaining to these issues. No such assessment has been carried out by local statutory / third party in the year under review. No adverse observation was observed during the financial year 2021-22.</td> </tr> <tr> <td>Forced/involuntary labour</td> </tr> <tr> <td>Sexual harassment</td> </tr> <tr> <td>Discrimination at workplace</td> </tr> <tr> <td>Wages</td> </tr> <tr> <td>Others - please specify</td> </tr> </tbody> </table>			<b>% of your offices that were assessed (by entity or statutory authorities or third parties)</b>	Child labour	The Company internally monitors compliances with relevant laws and policies pertaining to these issues. No such assessment has been carried out by local statutory / third party in the year under review. No adverse observation was observed during the financial year 2021-22.	Forced/involuntary labour	Sexual harassment	Discrimination at workplace	Wages	Others - please specify
	<b>% of your offices that were assessed (by entity or statutory authorities or third parties)</b>									
Child labour	The Company internally monitors compliances with relevant laws and policies pertaining to these issues. No such assessment has been carried out by local statutory / third party in the year under review. No adverse observation was observed during the financial year 2021-22.									
Forced/involuntary labour										
Sexual harassment										
Discrimination at workplace										
Wages										
Others - please specify										
<p><b>10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.</b> Not Applicable</p>										

**Leadership Indicators**

<p><b>1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.</b> Not applicable as no such grievances/complaints has been lodged.</p>										
<p><b>2. Details of the scope and coverage of any Human rights due diligence conducted.</b> Not applicable as no such due diligence has been conducted</p>										
<p><b>3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?</b> Yes</p>										
<p><b>4. Details on assessment of value chain partners:</b></p> <table border="1"> <thead> <tr> <th></th> <th><b>% of value chain partners (by value of business done with such partners) that were assessed</b></th> </tr> </thead> <tbody> <tr> <td>Child labour</td> <td rowspan="6">The Company expects its value chain partners to adhere to the values, principles and business ethics. No such assessment has been carried out during the year under review.</td> </tr> <tr> <td>Forced/involuntary labour</td> </tr> <tr> <td>Sexual harassment</td> </tr> <tr> <td>Discrimination at workplace</td> </tr> <tr> <td>Wages</td> </tr> <tr> <td>Others - please specify</td> </tr> </tbody> </table>			<b>% of value chain partners (by value of business done with such partners) that were assessed</b>	Child labour	The Company expects its value chain partners to adhere to the values, principles and business ethics. No such assessment has been carried out during the year under review.	Forced/involuntary labour	Sexual harassment	Discrimination at workplace	Wages	Others - please specify
	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>									
Child labour	The Company expects its value chain partners to adhere to the values, principles and business ethics. No such assessment has been carried out during the year under review.									
Forced/involuntary labour										
Sexual harassment										
Discrimination at workplace										
Wages										
Others - please specify										
<p><b>5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.</b> Not applicable</p>										



**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**

**Essential Indicators**

- 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**  
Not Applicable
- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**  
Not applicable
- 3. Provide details of the following disclosures related to water, in the following format:**  
The Company's usage of water is restricted to human consumption purposes only. Efforts have been made to ensure that water is consumed prudently in the office premises.
- 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**  
Not applicable
- 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**  
Not applicable
- 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**  
Not applicable
- 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**  
Not applicable
- 8. Provide details related to waste management by the entity, in the following format:**  
Not applicable.
- 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**  
Not applicable
- 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**  
Not applicable as the office of the Company is not situated in/around ecologically sensitive areas.
- 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**  
Not applicable
- 12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**  
Yes, based on the nature of business, the Company is in compliance with applicable environmental norms.

**Leadership Indicators**

- 1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**  
Not applicable
- 2. Provide the following details related to water discharged:**  
The Company's usage of water is restricted to human consumption purposes only. Efforts have been made to ensure that water is consumed prudently in the office premises.



3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**  
The Company's usage of water is restricted to human consumption purposes only. Efforts have been made to ensure that water is consumed prudently in the office premises.
4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**  
Not applicable
5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**  
Not applicable as the office of the Company is not situated in/around ecologically sensitive areas.
6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**  
Not applicable
7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**  
We do not have any such plans for the present. However, we are in discussion in house for deliberating on business continuity and disaster management plan in future.
8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**  
No any adverse impact to the environment arouse from the value chain of the entity
9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**  
No such assessment has been carried out during the year under review.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT****Essential Indicators**

1. a. **Number of affiliations with trade and industry chambers/ associations.**  
The Company is not a member of any trade and chamber or association.
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**  
Not applicable
2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**  
Not applicable

**Leadership Indicators**

1. **Details of public policy positions advocated by the entity:**  
Not applicable

**PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT****Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**  
Not applicable
2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**  
The Company is undertaking its CSR activities in collaboration with other Group Companies through Oswal Foundation which is a Registered Society formed in 2006, having its charitable objects in various fields. The Foundation has undertaken several projects relating to the Health Care and Education. The Oswal Foundation has helped the Mohan Dai Oswal Cancer Hospital at Ludhiana in the purchase and installation of MRI machines and other services. The hospital is providing primary health care and other medical services at very concessional rate to the people and also free to deserving and poor people. The Oswal Hospital has improved the health standard of the community living nearby Ludhiana.
3. **Describe the mechanisms to receive and redress grievances of the community.**



The company has dedicated email address i.e. gredressalncfsl@owmnahar.com for the purpose redressing grievances and any complaint received from any investors and community which is looked in to by the Company's Compliance Officer so that the complaint/grievances is resolved at the earliest.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Not applicable

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Punjab	Ludhiana	46.15 Lakhs

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) Not applicable**

**(b) From which marginalized /vulnerable groups do you procure? Not applicable**

**(c) What percentage of total procurement (by value) does it constitute? Not applicable**

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not applicable

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of Persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Health Care Project: At Mohan Dai Oswal Cancer Treatment & Research Foundation, Ludhiana Refer Annexure-I to the Board's Report for Annual Report on CSR activities <i>[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]</i>	All the Patients and Community living in the state of Punjab, especially in the city of Ludhiana and areas nearby are benefiting from the CSR Project.	

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**

Not Applicable

The Company is a Non-Banking Financial Company {Non- Deposit taking Systemically Important (ND-SI)} registered with Reserve Bank of India. The Company is primarily engaged in financial/investment activities comprising of Long Term Investment, Strategic Investments and Short Term Investment Activities/Trading Investment. Other business activities of the Company are real estate business and lending activities. The Company does not produce any good or provide any service. Hence the Company does not have any direct customer/consumer.

**FOR AND ON BEHALF OF THE BOARD**

PLACE: LUDHIANA  
DATED: 23<sup>RD</sup> JULY, 2022

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



**INDEPENDENT AUDITOR'S REPORT**

**To The Members of  
Nahar Capital and Financial Services Limited  
Report on the Audit of the Standalone Financial  
Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Key Audit Matters**

Key audit matters are those matters that, in our

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

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<b>Investments as on 31<sup>st</sup> March, 2022</b>	
<i>(Refer to Note no.6 to the notes to the standalone financial statements)</i>	
<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 company.</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"> <li>• 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.</li> <li>• Assessing the availability of quoted prices in liquid markets.</li> <li>• Performing our own independent price checks using external quotes for liquid positions and to identify any potential impairment.</li> <li>• We also assessed whether the Company's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.</li> </ul>

**Information Other than the Standalone 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 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 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 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.
  - iv. (a) The Management has represented that, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented, that, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (a) and (b) above, contain any material misstatement.
  - v. As stated in Note 2.12.3 to the standalone financial statements  
(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.  
(b) The interim dividend declared and paid by the Company during the year in compliance with Section 123 of the Act.  
(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 (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**

**Dated : 25<sup>TH</sup> May, 2022**  
**Place : Ludhiana**  
**UDIN : 22553997AJPEKR9947**

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

#### **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 AND 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 AND FINANCIAL SERVICES LIMITED** ("the Company") as of March 31, 2022 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 Board of Directors of the Company 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that we are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

the Standalone 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 internal financial controls system over financial reporting of the Company.

**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 Standalone 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 Standalone 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

**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, 2022, 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**

**Dated : 25<sup>TH</sup> May, 2022**

**Place : Ludhiana**

**UDIN: 22553997AJPEKR9947**

**(CA Sakshi Garg)**

**Partner**

**M.No.553997**

### **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 AND FINANCIAL SERVICES LIMITED of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the 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 Property, Plant and Equipment were due for verification during the year and 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 information and explanations given to us and based on the examination of records of the company, conveyance deed etc., we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions

(Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any physical inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not sanctioned working capital limits during the year, from banks on the basis of security of current assets. Hence, the clause is not applicable to the company.

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) The principal business of the company is investments and financing of funds, hence reporting under clause 3(iii)(a) is not applicable to the company

(b) As per the information and explanations given to us and the investments made and the terms and conditions of the grant of loans, during the year are prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the

- year. Hence, reporting under clause 3(iii)(f) is not applicable.
- 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, 2022 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:
- 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.
  - 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, 2022 for a period of more than six months from the date they became payable.
  - Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:
- | Nature of the statute    | Nature of dues | Amount (Unpaid) | Period to which the 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. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings from any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix) (c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates companies.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) The management has represented us that no blower complaints has been received by the Company during the year (and up to the date of this report).
- 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 Financial Statements as required by the applicable Indian accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 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. (a) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to information and explanations given to us and based on the examination of records of the company, company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of registration (COR) from Reserve Bank of India as per Reserve Bank of India Act, 1934.
- (c) In our opinion, Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India.
- (d) According to information and explanations given to us, there is one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. Company has no unspent amount under CSR at the end of the financial year, hence reporting under clause 3(xx) (a) and (b) is not applicable to the company

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

**Dated : 25<sup>TH</sup> May, 2022  
Place : Ludhiana  
UDIN: 22553997AJPEKR9947**

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

**Balance Sheet as at 31st March, 2022**

(All Amount in Lakhs Rupees, unless otherwise stated)

Particulars	Note No	As At 31 March, 2022	As At 31 March, 2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and Cash equivalents	3	129.35	72.87
Bank Balances other than above	4	566.63	740.13
Loans	5	3.01	4,484.88
Investments	6	73,705.62	58,961.03
Others Financial Assets	7	175.52	246.54
<b>Total Financial Assets</b>		<b>74,580.13</b>	<b>64,505.45</b>
<b>Non - Financial Assets</b>			
Inventories	8	1,500.13	2,832.56
Current Tax Assets	9	207.66	217.71
Investment Property	10	5,461.93	5,564.11
Property, Plant and Equipment	11	1.53	1.18
Capital Work in Progress	12	53.66	7.05
Other Non Financial Assets	13	2.28	2.54
<b>Total Non Financial Assets</b>		<b>7,227.19</b>	<b>8,625.15</b>
<b>TOTAL</b>		<b>81,807.32</b>	<b>73,130.60</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
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	14	21.96	7.43
Borrowings (Other than Debt Securities)	15	150.80	608.51
Other Financial liabilities	16	482.93	839.17
<b>Total Financial liabilities</b>		<b>655.69</b>	<b>1,455.11</b>
<b>Non-Financial liabilities</b>			
Provisions	17	5.14	4.68
Deferred Tax Liabilities	18	704.37	544.81
Other Non-Financial Liabilities	19	54.67	62.36
<b>Total Non-Financial Liabilities</b>		<b>764.18</b>	<b>611.85</b>
<b>EQUITY</b>			
Equity Share Capital	20	837.31	837.31
Other Equity	21	79,550.14	70,226.33
<b>Total Equity</b>		<b>80,387.45</b>	<b>71,063.64</b>
<b>TOTAL</b>		<b>81,807.32</b>	<b>73,130.60</b>

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

For YAPL & Company  
Chartered Accountants  
FRN 017800N

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

**Sakshi Garg**  
(Partner)  
M.No.553997  
Place : Ludhiana  
Date : 25th May 2022  
UDIN : 22553997AJPEKR9947

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

**Dinesh Oswal**  
Managing Director  
DIN : 00607290



**Statement of Profit & Loss Account for the year ending 31st March, 2022**

(All Amount in Lakhs Rupees, unless otherwise stated)

Particulars	Note No.	For Year ended March 31, 2022	For Year ended March 31, 2021
<b>Income</b>			
Interest Income	22a	760.91	691.86
Dividend Income	23	1,493.95	473.57
Rental Income	24	327.53	334.43
Net Gain On Fair Value Changes (Held for trading)	25	988.86	656.67
AIF Income Tax Free Trading unit	22b	103.66	150.40
<b>Total revenue from operations (I)</b>		<b>3,674.91</b>	<b>2,306.93</b>
<b>Other income</b>			
Net Gain on Fair Value Changes	26	1,074.43	2,304.94
AIF Income Tax Free	22b	98.93	27.53
Net gain on Derecognition of Financial Instruments		82.59	76.26
Under Amortised Cost Category			
Other Income		57.65	43.86
<b>Total other income (II)</b>		<b>1,313.60</b>	<b>2,452.59</b>
<b>Total income (I+II)</b>		<b>4,988.51</b>	<b>4,759.52</b>
<b>Expenses:</b>			
Finance Costs	27	9.07	17.40
Fees and Commission Expense	28	27.22	-
Employee Benefits Expenses	29	487.47	379.38
Impairment on Financial Instruments	30	-	-
Depreciation and Amortisation	31	102.40	83.30
Other Expenses	32	265.60	169.89
<b>Total expenses</b>		<b>891.76</b>	<b>649.97</b>
<b>Profit before tax</b>		<b>4,096.75</b>	<b>4,109.55</b>
<b>Tax expense</b>			
Current tax	33	949.65	799.94
Deferred tax charge		104.35	342.71
<b>Total Tax Expense</b>		<b>1,054.00</b>	<b>1,142.65</b>
<b>Net Profit for the year</b>		<b>3,042.75</b>	<b>2,966.90</b>
<b>Other comprehensive income</b>			
<b>A) Items that will not be reclassified to profit and loss</b>			
Changes in fair value of FVOCI equity instruments (inclusive of realised gain/loss thereon)		6,837.47	5,113.11
Remeasurements of post-employment benefit obligations		1.19	0.21
Income tax relating to items that will not be reclassified to profit or loss		(55.22)	(419.99)
<b>Other comprehensive income/(loss) for the year</b>		<b>6,783.44</b>	<b>4,693.33</b>
<b>B i) Items that will be reclassified to profit or loss</b>			
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>6,783.44</b>	<b>4,693.33</b>
<b>Profit after tax</b>		<b>9,826.19</b>	<b>7,660.23</b>
<b>Earnings per equity share</b>	34		
Equity shares of par value Rs. 5 each			
Basic		18.17	17.72
Diluted		18.17	17.72

The accompanying notes form 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  
Place : Ludhiana  
Date : 25th May 2022  
UDIN : 22553997AJPEKR9947

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

**Dinesh Oswal**  
Managing Director  
DIN : 00607290



**Standalone Statement of Cash Flows for the year ended 31st March, 2022**

(All Amount in Lakhs Rupees, unless otherwise stated)

	For year ended March 31, 2022	For year ended March 31, 2021
<b>A Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>4096.75</b>	<b>4109.55</b>
<u>Adjustments for:</u>		
Depreciation and amortisation expense	102.40	83.30
Interest income on fixed deposit and financials assets measured at amortised cost	(864.57)	(842.26)
Dividend income classified as investing cash flows	(1,493.95)	(473.57)
Remeasurement gains and loss on employee benefit obligations	0.06	0.07
Fair Value gain/( loss) on Investments	988.86	656.67
Corporate Social Responsibility Expenses	-	(41.45)
Interest paid	9.07	17.40
<b>Operating profit before working capital changes</b>	<b>2838.62</b>	<b>3509.71</b>
<u>Inflow/(outflow) on account of:</u>		
Loans	4481.87	(1,793.58)
Investments	(14,744.60)	(7,117.63)
Bank balance other than cash and cash equivalents	173.50	102.27
Inventory	1332.43	232.23
Other financial assets	71.02	116.38
Other non-financial assets	0.26	18.78
Trade and other payables	14.53	(5.18)
Short term borrowings	(457.70)	200.85
Provisions	0.46	0.32
Other financial liability	(356.24)	(69.12)
Other non-financial liability	(7.69)	33.05
<b>Cash used in operating activities post working capital changes</b>	<b>(6,653.53)</b>	<b>(4,771.92)</b>
Income tax paid (net)	(939.61)	(833.48)
<b>Net cash inflow from/ (used in) operating activities (A)</b>	<b>(7,593.14)</b>	<b>(5,605.40)</b>
<b>B Cash flows from investing activities</b>		
Purchase of Property, plant and equipment and investment property	(46.04)	(7.05)
Dividend received	1493.95	473.57
Fair value gain/(loss) on Investments	(988.86)	(656.67)
Interest received	864.57	842.26
Investments of Equity Instruments on Other Comprehensive Income	6837.47	5113.11
<b>Net cash inflow from/ (used in) investing activities (B)</b>	<b>8161.08</b>	<b>5765.22</b>
<b>C Cash flows from financing activities*</b>		
Interest paid	(9.07)	(17.40)
Dividend paid (including tax)	(502.39)	(83.73)
<b>Net cash inflow from/ (used in) financing activities (C)</b>	<b>(511.46)</b>	<b>(101.13)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>56.48</b>	<b>58.69</b>
Cash and cash equivalents at the beginning of the year	72.87	14.18
<b>Cash and cash equivalents at the end of year</b>	<b>129.35</b>	<b>72.87</b>

This is the standalone 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  
Place : Ludhiana  
Date : 25th May 2022  
UDIN : 22553997AJPEKR9947

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

**Dinesh Oswal**  
Managing Director  
DIN : 00607290



**Notes forming part of Financial Statement for the year ending 31st March 2022****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, real estate activities and other businesses generally carried on by finance and investment companies. The company is domiciled in India and has its registered office at Ludhiana, Punjab, India. The CIN No of the Company is L45202PB2006PLC029968 and RBI Registration no is N-06.00588. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited.

**Summary of significant accounting policies and other explanatory information for the year ended 31st March 2022****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, 2022 were authorized and approved for issue by the Board of Directors on 25 May 2022.

**(ii) Accounting 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.

**(iii) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of the schedule III unless otherwise stated.

**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 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.

##### **Transition to Ind AS**

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

#### **e) Inventories**

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

#### **f) Revenue recognition**

##### **Interest income**

Interest income is recorded on accrual basis using the Effective Interest Rate (EIR) method. Additional

interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

**Dividend income**

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

**Rental income**

Rental Income is accounted for on accrual basis.

**Commission income**

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

**Miscellaneous income**

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

**g) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended 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.

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

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

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

on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

**i) Employee benefits****Short-term employee benefits**

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

**Other long term employee benefit obligations:**

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

**Post-employment obligations:**

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

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

**Defined contribution plans**

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

**j) Impairment of non-financial assets****Loan 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.



Particulars	As at March 31, 2022	As at March 31, 2021
<b>3 Cash and cash equivalents</b>		
Cash in hand	0.44	0.34
Balance with banks		
- with scheduled banks in current accounts	0.15	3.34
- with scheduled banks held as PMS	128.76	69.19
<b>Total</b>	<b>129.35</b>	<b>72.87</b>
<b>4 Bank balances other than above</b>		
Bank Deposits with banks having maturity less than three months	1.00	-
Bank Deposits with banks having maturity more than twelve months	25.00	361.39
Earmarked Balances with banks for unpaid dividends	29.25	28.74
Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date	511.38	350.00
	<b>566.63</b>	<b>740.13</b>
<b>5 Loans</b>		
The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109 and IRACP norms of Reserve Bank of India.		
<b>Loans</b>		
Loans repayable on demand- Stage 1	-	4500.00
Loans repayable on demand- Stage 2	-	-
Other Loans	3.01	2.88
<b>Total (A) - Gross Loans</b>	<b>3.01</b>	<b>4,502.88</b>
Less: Standard Asset Provision- Stage 1	-	(18.00)
Less: Allowance for impairment loss for loan assets-Stage 3	-	-
<b>Total (A) - Net Loans</b>	<b>3.01</b>	<b>4,484.88</b>
<b>Security Details</b>		
Un-Secured by tangible asset	-	-
Unsecured	-	4500.00
Less: Allowance for impairment loss for loan assets	-	-
Loans to employees	3.01	2.88
<b>Total (B) - Gross Loans</b>	<b>3.01</b>	<b>4,502.88</b>
Less: Standard Asset Provision	-	(18.00)
Less: Allowance for impairment loss for loan assets	-	-
<b>Total (B) - Net Loans</b>	<b>3.01</b>	<b>4,484.88</b>
Loans in India	3.01	4502.88
Loans outside India	-	-
<b>Total (B) - Gross Loans</b>	<b>3.01</b>	<b>4,502.88</b>
Less: Allowance for impairment loss for loan assets	-	-
Less: Standard Asset Provision	-	(18.00)
<b>Total (B) - Net Loans</b>	<b>3.01</b>	<b>4,484.88</b>
<b>5.1 Reconciliation between the figures reported under Ind-AS and actual amounts outstanding in respect of Loans:</b>		
<b>Net Loans</b>	<b>3.01</b>	<b>4502.88</b>
Add: Allowance for Expected Credit Loss netted off as per Ind-AS	-	(18.00)
<b>Gross Loans</b>	<b>3.01</b>	<b>4484.88</b>





**6. Investments at Fair Value**

Particulars	At Fair Value				At Cost	Total
	Amortized cost	Through other comprehensive income	Through profit or loss	Sub-total		
<b>As at March 31, 2022</b>						
<b>Investments</b>						
In India						
Mutual Funds	-	-	13,390.46	13,390.46	-	13,390.46
Government securities	154.19	-	-	-	-	154.19
Debt Securities	3,020.45	-	2,108.19	2,108.19	-	5,128.64
Preference shares	7,000.00	-	-	-	-	7,000.00
(Other Group Companies)						
Preference shares(Other)	1,406.59	-	-	-	-	1,406.59
Equity Instruments	-	-	-	-	12,132.32	12,132.32
(Subsidiaries/Associates)						
Equity Instruments	-	17,788.48	-	17,788.48	-	17,788.48
(Other Group companies)						
Equity Instruments (Others)	-	10,680.90	549.37	11,230.27	-	11,230.27
AIF/Venture Funds	-	-	5,341.83	5,341.83	-	5,341.83
Interest accrued	-	-	-	-	132.84	132.84
<b>Total</b>	<b>11,581.23</b>	<b>28,469.38</b>	<b>21,389.85</b>	<b>49,859.23</b>	<b>12,265.16</b>	<b>73,705.62</b>

<b>As at March 31, 2021</b>						
<b>Investments</b>						
In India						
Mutual Funds	-	-	12,318.57	12,318.57	-	12,318.57
Government securities	154.19	-	-	-	-	154.19
Debt Securities	2,125.26	-	1,567.45	1,567.45	-	3,692.71
Preference shares	4,000.00	-	-	-	-	4,000.00
(Other Group Companies)						
Preference shares(Other)	1,426.60	-	-	-	-	1,426.60
Equity Instruments	-	-	-	-	12,132.32	12,132.32
(Subsidiaries/Associates)						
Equity Instruments	-	12,582.37	-	12,582.37	-	12,582.37
(Other Group companies)						
Equity Instruments (Others)	-	8,367.46	454.00	8,821.46	-	8,821.46
AIF/Venture Funds	-	-	3,693.24	3,693.24	-	3,693.24
Interest accrued	-	-	-	-	139.58	139.58
<b>Total</b>	<b>7,706.05</b>	<b>20,949.83</b>	<b>18,033.26</b>	<b>38,983.09</b>	<b>12,271.90</b>	<b>58,961.03</b>

**7 Others Financial Assets (Considered Good unless otherwise stated)**

Rent Receivable (0 to 6 Months)	13.34	58.53
Security Deposits	83.60	80.51
Sundry Receivable	78.58	107.50

**175.52** **246.54**

**Ageing Schedule(Sundry Receivable)**

0-6 Months	64.40	88.95
6 Month to 1 Year	0.02	0.10
1 Year to 2 Year	0.10	5.50
2 Year to 3 Year	1.11	2.09
More Than 3 Years	12.95	10.86

**78.58** **107.50**

**8. Inventories**

Real Estate Property	1,500.13	2,832.56
	<b>1,500.13</b>	<b>2,832.56</b>

**9. Current tax assets (net)**

Advance income tax	1,157.66	1,017.71
Less: Provision for income tax	950.00	(800.00)

**207.66** **217.71**



**10. Investment Property**

**Current Year**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2021	Additions	Disposal/ adjustments	As at 31 Mar 2022	As at 1 April 2021	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2022	As at 31 Mar 2022	As at 31 Mar 2021
Buildings	5,657.23	-	-	5,657.23	206.63	89.57	-	296.21	5,361.02	5,450.60
Furniture	132.71	-	-	132.71	19.20	12.61	-	31.80	100.91	113.51
<b>Total</b>	<b>5,789.94</b>	<b>-</b>	<b>-</b>	<b>5,789.94</b>	<b>225.83</b>	<b>102.18</b>	<b>-</b>	<b>328.01</b>	<b>5,461.93</b>	<b>5,564.11</b>

**10. Investment Property**

**Previous Year**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposal/ adjustments	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 Mar 2020
Buildings	4,113.42	1,543.81	-	5,657.23	137.22	69.42	-	206.64	5,450.60	3,976.20
Furniture	132.71	-	-	132.71	6.51	12.61	-	19.20	113.51	126.20
<b>Total</b>	<b>4,246.13</b>	<b>1,543.81</b>	<b>-</b>	<b>5,789.94</b>	<b>143.73</b>	<b>82.03</b>	<b>-</b>	<b>225.84</b>	<b>5,564.11</b>	<b>4,102.40</b>

**10.1. Fair value of investment property**

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Carrying value	5461.93	5564.11
Fair value	5461.93	5564.11

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 considers information from a 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 have been determined by an independent valuer and the main inputs used are circle rates and current prices on similar properties. All resulting fair value estimates for investment property are included in level

**11. Property, Plant & Equipment**

**Current Year**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2021	Additions	Disposal/ adjustments	As at 31 Mar 2022	As at 1 April 2021	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2022	As at 31 Mar 2022	As at 31 Mar 2021
Vehicles	11.57	-	-	11.57	10.99	-	-	10.99	0.58	0.58
Office equipments	3.74	0.57	-	4.31	3.14	0.22	-	3.36	0.95	0.60
<b>Total</b>	<b>15.31</b>	<b>0.57</b>	<b>-</b>	<b>15.88</b>	<b>14.13</b>	<b>0.22</b>	<b>-</b>	<b>14.35</b>	<b>1.53</b>	<b>1.18</b>

**11. Property, Plant & Equipment**

**Previous Year**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposal/ adjustments	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 Mar 2020
Vehicles	11.57	-	-	11.57	9.99	1.00	-	10.99	0.58	1.58
Office equipments	3.74	-	-	3.74	2.94	0.28	-	3.22	0.60	0.80
<b>Total</b>	<b>15.31</b>	<b>-</b>	<b>-</b>	<b>15.31</b>	<b>12.93</b>	<b>1.28</b>	<b>-</b>	<b>14.21</b>	<b>1.18</b>	<b>2.38</b>

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

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

11.2 While the Company has not made any specific borrowings for construction of a quality 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, 2022	As at March 31, 2021
<b>12 Capital Work in Progress</b>		
Capital Advance against Property	53.66	7.05
- 1-2 Years & Suspended : 7,05,290.00		
- Upto 1 year & in Process : 46,61,003.00, to be completed in less than a year		
	<b>53.66</b>	<b>7.05</b>
<b>13 Other non financial assets</b>		
Prepaid expenses	2.28	2.54
	<b>2.28</b>	<b>2.54</b>
<b>14 Trade payables</b>		
Total outstanding dues of creditors other than MSME's	21.96	7.43
	<b>21.96</b>	<b>7.43</b>
<b>Agening</b>		
Not Due	21.51	7.30
0 Months to 6 Months	0.31	0.13
6 Months to 1 Year	0.14	-
	<b>21.96</b>	<b>7.43</b>
<b>15 Borrowings</b>		
<b>Secured loans</b>		
Overdraft facility against investments	150.80	608.51
<b>Total (A)</b>	<b>150.80</b>	<b>608.51</b>
Borrowings in India	150.80	608.51
Borrowings outside India	-	-
<b>Total (B)</b>	<b>150.80</b>	<b>608.51</b>
<b>- Above borrowings are secured against Mutual Funds held as Investment by the Company</b>		
<b>16 Other Financial liabilities</b>		
Security deposits	56.67	137.81
Advance against asset held for sale	266.66	566.67
Payable to employees	33.54	30.44
Unpaid dividend	29.25	28.74
Expenses payables	33.37	6.71
Other payables	63.44	68.80
	<b>482.93</b>	<b>839.17</b>
<b>17 Provisions</b>		
Provisions for compensated absences(LWW)	0.84	0.44
Gratuity Payable	4.30	4.24
	<b>5.14</b>	<b>4.68</b>
<b>18 Deferred tax liabilities (net)</b>		
Deferred Tax liabilities recognised on account of: Investment measured at fair value through p & L	704.37	544.81
	<b>704.37</b>	<b>544.81</b>
<b>19 Other non-financial liabilities</b>		
Statutory dues	19.75	19.43
Deferred income	34.92	42.93
	<b>54.67</b>	<b>62.36</b>



## 20 Equity Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorised equity share capital</b>		
30,000,000 (Previous year : 30,000,000) equity shares of Rs 5 each	1500.00	1500.00
	<b>1500.00</b>	<b>1500.00</b>
<b>Issued, subscribed and paid up equity share capital</b>		
16,746,167 (Previous year : 16,746,167) equity shares of Rs 5 each	837.31	837.31
	<b>837.31</b>	<b>837.31</b>

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

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

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

Equity shares	31.03.2022		31.03.2021	
	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

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

Particulars	31.03.2022		31.03.2021	
	No. of shares	Percentage	No. of shares	Percentage
Nahar Poly Films Ltd	66.12	39.48%	66.12	39.48%
Abhilash Oswal	13.38	7.99%	13.38	7.99%
Sankeshwar Holding Company Limited	29.95	17.88%	29.56	17.65%

Share Holding of Promotor	31.03.2022 No. of shares	31.03.2022 Percentage	31.03.2021 No. of shares	31.03.2021 Percentage	Change Percentage
Ruchika Oswal	11,555	0.08%	11,555	0.08%	0.00%
Abhilash Oswal	1,338,173	7.99%	1,338,173	7.99%	0.00%
Monica Oswal	11,520	0.07%	11,520	0.07%	0.00%
Jawahar Lal Oswal	40,012.00	0.24%	40,012.00	0.24%	0.00%
Dinesh Oswal	64,091.00	0.38%	64,091.00	0.38%	0.00%
Tanvi Oswal	1,000.00	0.01%	1,000.00	0.01%	0.00%
Sambhav Oswal	1,000.00	0.01%	1,000.00	0.01%	0.00%
Ritu Oswal	1,000.00	0.01%	1,000.00	0.01%	0.00%
Kamal Oswal	259.00	0.00%	259.00	0.00%	0.00%
Manisha Oswal	230.00	0.00%	230.00	0.00%	0.00%
Abhinav Oswal	268.00	0.00%	268.00	0.00%	0.00%
Rishabh Oswal	250.00	0.00%	250.00	0.00%	0.00%
Sanjana Oswal	250.00	0.00%	250.00	0.00%	0.00%
<b>Promotor Group</b>					
Nahar Poly Films Limited	6,611,632.00	39.48%	6,611,632.00	39.48%	0.00%
Nahar Financial and Investment Limited	285,000.00	1.70%	285,000.00	1.70%	0.00%
Sankeshwar Holding Co. Ltd.	2,994,750.00	17.88%	2,956,269.00	17.65%	-0.23%
Nahar Spinning Mills Limited	607,856.00	3.63%	577,856.00	3.45%	-0.18%



**21. Other Equity**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(a) SECURITIES PREMIUM ACCOUNT</b>		
Opening Balance	12,591.71	12,591.71
Add: Additions during the year	-	-
<b>Balance at the year end</b>	<b>12,591.71</b>	<b>12,591.71</b>
<b>(b) GENERAL RESERVE</b>		
Opening Balance	43,321.15	33,321.15
Add: Additions during the year	10,000.00	10,000.00
<b>Balance at the year end</b>	<b>53,321.15</b>	<b>43,321.15</b>
<b>(c) CSR EXPENDITURE RESERVE</b>		
Opening Balance	-	51.94
Add: Additions during the year	-	-
Less: Used during the year	-	(51.94)
<b>Balance at the year end</b>	<b>-</b>	<b>-</b>
<b>(d) STATUTORY RESERVE FUND</b>		
Opening Balance	5,789.46	5146.46
Add: Additions during the year	611.00	643.00
<b>Balance at the year end</b>	<b>6,400.46</b>	<b>5,789.46</b>
<b>(e) RETAINED EARNINGS</b>		
Opening Balance	8,524.01	11,590.52
Profit for the year	3,042.75	2,966.90
Other Comprehensive Income for the year (net of tax)	6,783.44	4,693.33
Dividends	(502.38)	(83.73)
Transfer to Statutory Reserve Fund	(611.00)	(643.00)
Transfer to General Reserve	(10,000.00)	(10,000.00)
<b>Balance at the year end</b>	<b>7,236.82</b>	<b>8,524.01</b>
<b>Total Other Equity(a+b+c+d+e)</b>	<b>79,550.14</b>	<b>70,226.33</b>

**21.1 General reserve**

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

**21.2 Securities premium reserve**

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

**21.3 CSR reserve**

The Company may 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. All amounts had been paid during the previous year and no new Reserve has been created.

**21.4 Retained earnings**

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

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

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the year, the Company has created Statutory Reserve Fund amounting to Rs. 611.00 Lakhs.

**21.6 Other comprehensive income**

- (i) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- (ii) The Company has recognised remeasurements of defined benefits plans through other comprehensive income.



**22 Interest income**

Particulars	For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
	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
<b>A) Interest Income</b>				
Interest on loan assets	268.77	-	348.84	-
Interest on deposits with banks	26.38	-	44.09	-
Interest from alternate investments funds	-	210.79	-	98.77
Interest from bonds and debentures including tax free bond	254.97	-	200.15	-
Other interest income	-	-	0.02	-
	<b>550.12</b>	<b>210.79</b>	<b>593.09</b>	<b>98.77</b>
<b>B) AIF Income</b>				
AIF Income Tax Free (Held for Trading)	-	103.66	-	150.40
AIF Income Tax Free (Main Unit)	-	98.93	-	27.53
	-	<b>202.59</b>	-	<b>177.93</b>

Particulars	As at 31 March 2022	As at 31 March 2021
<b>23 Dividend income</b>		
Dividends from associate companies	672.01	120.88
Dividends from other investments	821.94	352.69
	<b>1,493.95</b>	<b>473.57</b>
<b>24 Rental Income</b>		
Rental Income	327.53	334.43
	<b>327.53</b>	<b>334.43</b>
<b>25 Net gain on fair value changes</b>		
Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	115.21	495.63
- Mutual Funds	-	-
- Others	602.40	66.93
(ii) On financial instruments designated at fair value through profit or loss	271.25	94.11
<b>Total Net gain on fair value changes</b>	<b>988.86</b>	<b>656.67</b>
<b>Total Net gain on fair value changes</b>		
Fair Value Changes:		
-Realised	700.17	218.56
-Unrealised	288.69	438.11
<b>Total Net gain on fair value changes</b>	<b>988.86</b>	<b>656.67</b>
<b>26 Other income</b>		
Net gain on fair value changes	1074.43	2304.94
Net gain on derecognition of financial instruments under amortised cost category	82.59	76.26
Other income		
-Miscellaneous income	57.65	43.86
<b>Total other income</b>	<b>1214.67</b>	<b>2425.06</b>
<b>27 Finance cost</b>		
Interest on borrowings	9.04	17.40
Other interest expense	0.03	-
	<b>9.07</b>	<b>17.40</b>
<b>28 Fees and commission expenses</b>		
Fees and other charges	27.22	-
	<b>27.22</b>	-



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>29 Employee benefits expenses</b>		
Salaries, wages and bonus	479.39	372.83
Contribution to provident fund and other funds	8.08	6.55
Staff welfare expense	-	-
	<b>487.47</b>	<b>379.38</b>

**30 Impairment on financial instruments**

Particulars	For the year Ended 31 Mar 2022		For the year Ended 31 March 2021	
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost
Impairment on loan assets	-	-	-	-
Investments(See Note)*	-	-	(189.84)	-
	-	-	-	-
	<b>0.00</b>		<b>0.00</b>	

**Note \*** - Current Year "NIL" (Previous year Diminution in value of some shares are written back because these shares sold off in previous year. This written back amount is adjusted in "Net Gain of Derecognition on Financial Instruments" in other income.)

**31 Depreciation and amortisation**

Depreciation on tangible assets and investment properties	102.40	83.30
	<b>102.40</b>	<b>83.30</b>

**32 Other expenses**

Power and fuel	0.28	0.24
Rental expense	3.65	3.50
R&M building	14.57	15.36
Rates and taxes	9.43	6.27
Insurance charges	4.64	4.01
Legal and professional charges	70.72	62.74
Travelling and conveyance	1.77	1.01
Vehicle running and maintenance	0.98	0.76
Payment to auditors	1.29	1.19
Communication expenses	1.17	0.77
Director sitting fees	4.13	3.89
Printing & Stationery	1.31	0.83
AGM Expenses	0.27	0.26
STT	9.34	6.04
Donation	85.00	0.08
Bank charges	0.13	0.10
CSR Expenses	46.15	41.45
Miscellaneous expenses	10.77	21.39
	<b>265.60</b>	<b>169.89</b>

**33 Tax expense**

A (I) Current tax	949.65	799.94
(ii) Deferred Tax charge/(Credit)Minimum alternate tax credit entitlement (See note)	104.35	342.71
(iii) Tax-earlier years	-	-
	<b>1,054.00</b>	<b>1,142.65</b>

**Note :** This amount represent Deferred Tax on Ind-AS adjustments only

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

<b>Accounting profit before income tax</b>	<b>4,096.75</b>	<b>4,109.55</b>
Statutory income tax rate	29.12%	29.12%
<b>Tax expense at statutory income tax rate (A)</b>	<b>1,192.97</b>	<b>1,196.70</b>



Particulars	As at March 31, 2022	As at March 31, 2021
<b>B Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
(i) Tax impact of income chargeable at different tax rate	(88.91)	(3.99)
(ii) Income exempted from tax	-	-
(iii) Tax impact of expenditure allowed on payment basis	-	-
(iv) Unrecognised tax assets	-	-
(v) Adjustments for current tax of prior periods	-	-
(vi) Minimum alternate tax (MAT) credit not created	-	-
(vii) Minimum alternate tax (MAT) impact on transition to Ind AS	-	-
(viii) Reversal of Deferred tax created on transition to Ind AS	(50.06)	(50.06)
(ix) Others	-	-
<b>Total (B)</b>	<b>(138.97)</b>	<b>(54.05)</b>
<b>Income tax expense at effective tax rate reported in the Statement of Profit &amp; Loss (A+B)</b>	<b>1,054.00</b>	<b>1,142.65</b>
<b>B Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
(i) Tax impact of income chargeable at different tax rate	(88.91)	(3.99)
(ii) Income exempted from tax	-	-
(iii) Tax impact of expenditure allowed on payment basis	-	-
(iv) Unrecognised tax assets	-	-
(v) Adjustments for current tax of prior periods	-	-
(vi) Minimum alternate tax (MAT) credit not created	-	-
(vii) Minimum alternate tax (MAT) impact on transition to Ind AS	-	-
(viii) Reversal of Deferred tax created on transition to Ind AS	(50.06)	(50.06)
(ix) Others	-	-
<b>Total (B)</b>	<b>(138.97)</b>	<b>(54.05)</b>
<b>Income tax expense at effective tax rate reported in the Statement of Profit &amp; Loss (A+B)</b>	<b>1,054.00</b>	<b>1,142.65</b>
<b>34 Earning per share</b>		
Net profit attributable to equity shareholders		
Net profit/(Loss) for the year	3,042.75	2,966.90
Par value per share	5.00	5.00
Weighted average number of Equity Shares Total number of equity shares outstanding as the beginning of the year	167.46	167.46
<b>Earnings per share - Basic and diluted</b>	<b>18.17</b>	<b>17.72</b>
<b>35 Corporate social responsibility expense</b>		
(a) In accordance with the provisions of Section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms of the provisions of the said Act, the Company required to spend a sum of Rs. 46.15 Lakhs (Previous year 41.45 Lakhs) towards CSR activities.		
(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	46.15	41.45
Yet to be paid	-	-
	<b>46.15</b>	<b>41.45</b>
(c) The Company for its CSR obligation joined hands with other group companies under one umbrella, to do undertake its CSR activities through Oswal Foundation. Oswal Foundation is a Registered Society formed in the year 2006 having its charitable objects in various fields. The foundation is going to undertake "Health Care Project of Linear Accelerator", as approved by the consortium at approximate cost of Rs. Four crores, at Mohan Dai Oswal Cancer Hospital and Research Foundation, Ludhiana.		





Accordingly to fulfil its obligation under CSR, Board on the recommendation of CSR Committee decided to contribute an amount of Rs. 46.15 Lakhs to the Oswal Foundation for undertaking above mentioned Health care projects.

### 36 Employee benefit obligations

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

#### (A) Defined Benefit Plans - Post-Employment Benefits

Gratuity	69.67	65.12
(B) Other long term employee benefits		
Leave encashment	N.A.	N.A.
<b>TOTAL</b>	<b>69.67</b>	<b>65.12</b>

#### 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, 2022	March 31, 2021
Current service cost (net)	2.60	2.01
Net Interest cost /(Income)	0.17	0.14
<b>Net impact on profit (before tax)</b>	<b>2.77</b>	<b>2.15</b>
Actuarial loss/(gain) recognised during the year		
<b>Amount recognised in total comprehensive income</b>	<b>2.77</b>	<b>2.15</b>

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

Description	March 31, 2022	March 31, 2021
Present value of defined benefit obligation as at the beginning of the year	65.12	59.40
Interest cost	3.20	3.33
Service cost	2.69	2.01
Benefits paid	(1.09)	-
Actuarial loss/(gain)	(0.25)	0.38
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>69.67</b>	<b>65.12</b>

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

Description	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the period	60.88	56.71
Actual return on plan assets	0.94	0.59
Employer Contribution	1.52	0.39
Interest Income on plan assets	3.12	3.19
Benefits paid	(1.09)	-
Actuarial gain	-	-
<b>Fair value of plan assets at the end of the period</b>	<b>65.37</b>	<b>60.88</b>

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

Description	March 31, 2022	March 31, 2021
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		
<b>Unfunded/funded net liability recognized in balance sheet</b>	<b>-</b>	<b>-</b>



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

Description	March 31, 2022	March 31, 2021
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(0.77)	0.93
Actuarial (gain)/loss from experience adjustment	0.52	(0.55)
<b>Total actuarial (gain)/loss</b>	<b>(0.25)</b>	<b>0.38</b>

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

Description	March 31, 2022	March 31, 2021
Discount rate	5.50%	5.10%
Rate of salary increase	0.00%	0.00%
Expected rate of return on plan assets	N.A.	N.A.
Retirement age	58 years	58 years
Average past service	12.34 years	11.41 years
Average age	47.95 years	47.15 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.
- 2) The estimates of future salary increases considered takes into account the inflation seniority promotion and other relevant factors.

**(vi) Sensitivity analysis for gratuity liability**

Description	March 31, 2022	March 31, 2021
<b>a) Impact of change in discount rate</b>		
Present value of obligation at the end of the year	5.50%	5.10%
- Impact due to increase of 0.50 %	-0.91%	-0.93%
- Impact due to decrease of 0.50 %	0.97%	0.99%
<b>b) Impact of change in salary/cost increase</b>		
Present value of obligation at the end of the year	7.00%	7.00%
- Impact due to increase of 0.50 %	0.66%	0.63%
- Impact due to decrease of 0.50 %	-0.64%	-0.60%
<b>c) Impact of change in withdrawal rate</b>		
Withdrawl rate as on 31 March, 2022	10.00%	10.00%
-Effect on DBO due to 5% increase in withdrawal rate	-0.34%	-0.39%
-Effect on DBO due to 5% decrease in withdrawal rate	0.53%	0.69%

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, 2022	March 31, 2021
Within next 12 months	34.50	30.72
Between 1-5 years	26.84	27.81
Beyond 5 years	13.15	21.71
	<b>74.49</b>	<b>80.24</b>



**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, 2022	March 31, 2021
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 31.03.2022	DBO as at 31.03.2021
Mr. Dinesh Oswal	01.04.2009	20.00	20.00
Mr. Hans Raj Kapoor	08.11.1984 (In Nahar Group)	20.00	18.68
Mrs. Anjali Modgil	23.07.2014	1.74	1.33

**37. 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 :

**37.1 List of related parties and disclosures**

Description of relationship	Names of related parties
<b>Associate Companies</b> <b>The Entities on which KMP and their relatives has significant influence with whom transactions have been undertaken</b>	Nahar Poly Films Limited, Nahar Spinning Mills Limited Oswal Woollen Mills Limited, Oswal Foundation, Nahar Industrial Enterprises Limited, Sankeshwar Holding Company Limited, Atam Vallabh Financiers Limited, Nahar Growth Fund Pvt. Ltd., Kovalam Investment and Trading Co. Ltd., Vanaik Investors Ltd., Ruchika Growth Fund P. Ltd., Abhilash Growth Fund P. Ltd., Monica Growth Fund P. Ltd., Vanaik Spinning Mills P. Ltd., Neha Credit and Investment P. Ltd., Bermuda Insurance Brokers P. Ltd., Nagdevi Trading and Investment Co. Ltd., OWM Poly Yarns Limited, J.L. Growth Fund P. Ltd., Vardhman Investment 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 Modgil	Company Secretary
<b>Name of Key Managerial Personnel/Director/Relatives</b>	
Mr. Jawahar Lal Oswal	Chairman
Mr. Kamal Oswal	Director
Mr. Satish Kumar Sharma	Director
Mr. Suresh Kumar Singla	Director
Mr. Dinesh Gogna	Director
Mr. Amrik Singh Sohi	Director
Mr. Roshan Lal Behl	Director
Mr. Vijay Asdhir	Director
Mrs. Manisha Gupta	Director
Mrs. Ritu Oswal	Advisor

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

Nature of Related Parties	Nature of transaction	Current Year	Previous Year
Mr. Dinesh Oswal	Remuneration	342.00	273.38
Mr. Dinesh Oswal	Commission	2.80	0.00
Promoters/Directors	Sitting Fee	0.94	0.82
Relatives of KMP	Remuneration	24.00	10.00
Nahar Spinning Mills Limited	Rent paid	2.97	2.83
	Reimbursement of Expenses	3.94	4.04
	Loan Paid	2325.00	1800.00
	Loan Repaid	6825.00	0.00
	Interest Received	238.73	348.84
	Other	0.00	0.00
Nahar Poly Films Limited	Reimbursement of Expenses	0.01	0.00
Oswal Woollen Mills Limited	Rent Paid	0.80	0.80
Sankeshwar Holding Company Limited	Equity Investment Purchased	0.00	74.11
Nahar Industrial Enterprises Limited	Preference Shares Purchased	0.00	1000.00
OWM Poly Yarns Limited	Preference Shares Purchased	3000.00	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.

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.

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

Name of related party	Nature of Balance	As at 31st March, 2022	As at 31st March, 2021
Oswal Woollen Mills Limited	Other Payable	0.00	0.00
Nahar Spinning Mills Limited	Balance of Loan	0.00	4500.00
Mr. Dinesh Oswal	MD Remuneration Payable	18.73	15.98
Mrs. Ritu Oswal	Remuneration Payable	1.05	1.40

Note : The Schedule III of the Companies Act, 2013 has been amended in respect of the Certain regrouping/disclosures vide notification dated 24th March 2021 which are applicable w.e.f. 1st April 2021, the figures has been presented in the above financial results after considering the said amendments. The figures of the corresponding previous year have been regrouped whichever considered necessary to correspond to current year disclosures.

**38 Commitments**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Contingent Liabilities not provided for in respect of:</b>		
<b>i) Contracts remaining to be executed on capital account</b>		
- Uncalled liability on shares, Investment Property and other Investments partly Paid	2,233.13	1,233.02
<b>ii) Other commitments</b>		
- Demand of Income Tax Payable for A.Y. 2013-2014 & 2015-2016 Contested by Company	29.67	29.67
	<b>2,262.80</b>	<b>1,262.69</b>

**39 Assets pledged as security**

The carrying amounts of assets pledged as security are:

Particulars	31 March 2022	31 March 2021
Investments	2,765.76	3,214.86
<b>Total assets pledged as security</b>	<b>2,765.76</b>	<b>3,214.86</b>



**40 Reconciliation of liabilities arising from financing activities**

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

Particulars	Borrowings (other than debt securities) March 31, 2022	Borrowings (other than debt securities) March 31, 2021
<b>Opening</b>	<b>608.51</b>	<b>407.66</b>
Cash flows:		
- Repayment of borrowings	457.70	-
- Proceeds of borrowings	-	200.85
- Foreign exchange	-	-
Non cash:		
- Fair value	-	-
Impairment on financial instrument	-	-
- Others	-	-
<b>Closing</b>	<b>150.81</b>	<b>608.51</b>

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

	March 31, 2022		March 31, 2021	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	129.35	-	72.87	-
Bank balances other than above	29.25	537.38	28.74	711.39
Loans	3.01	-	2.88	4,482.00
Investments	5,616.00	68,089.62	6,087.77	52,873.26
Other financial assets	91.92	83.60	166.03	80.51
	<b>5,869.53</b>	<b>68,710.60</b>	<b>6,358.29</b>	<b>58,147.16</b>
<b>Non Financial assets</b>				
Inventories	1,500.13	-	2,832.56	-
Current tax assets (net)	-	207.66	-	217.71
Deferred tax assets (net)	-	-	-	-
Investment property	-	5,461.93	-	5,564.11
Capital Work in Progress	-	53.66	-	7.05
Property, plant and equipment	-	1.53	-	1.18
Other non financial assets	2.28	-	2.54	-
	<b>1,502.41</b>	<b>5,724.78</b>	<b>2,835.10</b>	<b>5,790.05</b>
<b>TOTAL</b>	<b>7,371.94</b>	<b>74,435.38</b>	<b>9,193.39</b>	<b>63,937.21</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Payables				
Trade Payables				
(i) total outstanding dues of MSMEs	-	-	-	-
(ii) total outstanding dues of creditors other than MSMEs	21.96	-	7.43	-
Debt securities	-	-	-	-
Borrowings (other than debt securities)	-	150.80	-	608.51
Other financial liabilities	63.44	419.49	68.80	770.37
	<b>85.40</b>	<b>570.29</b>	<b>76.23</b>	<b>1,378.88</b>



**Non Financial Liabilities**

Provisions	5.14	-	4.68	-
Deferred tax liabilities (net)	704.37	-	544.81	-
Other non financial liabilities	19.75	34.92	19.43	42.93
	<b>729.26</b>	<b>34.92</b>	<b>568.92</b>	<b>42.93</b>
<b>TOTAL</b>	<b>814.66</b>	<b>605.21</b>	<b>645.15</b>	<b>1,421.81</b>
<b>NET</b>	<b>6,557.28</b>	<b>73,830.17</b>	<b>8,548.25</b>	<b>62,515.40</b>

**42. Financial instruments**

**A Financial assets and liabilities**

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

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Financial assets measured at fair value</b>			
Investments* measured at			
(i) Fair value through other comprehensive income	Note - 6	28469.38	20,949.83
(ii) Fair value through profit and loss	Note - 6	21389.85	18,033.26
<b>Financial assets measured at amortised cost</b>			
Investments*	Note - 6	11581.23	7,706.05
Cash and cash equivalents	Note - 3	129.35	72.87
Bank balances other than above	Note - 4	566.63	740.13
Loans	Note - 5	3.01	2.88
Other financial assets	Note - 7	175.52	246.54
<b>Total</b>		<b>62314.97</b>	<b>47,751.56</b>

<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 13	21.96	7.43
Borrowings (other than debt securities but including interest accrued)	Note - 14	150.80	608.51
Other financial liabilities	Note - 15	482.93	839.17
<b>Total</b>		<b>655.69</b>	<b>1,455.11</b>

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

**B Fair values hierarchy**

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

**The categories used are as follows:**

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

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

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

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

As at 31 March 2022	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity investments	18,110.86	-	-	18,110.86
Unquoted equity investments	-	-	10,358.53	10,358.53
<b>Investments at fair value through profit and loss</b>				
Mutual funds	13,390.46	-	-	13,390.46
Venture capital funds and alternative investment funds	-	-	5,341.83	5,341.83



As at 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity investments	11,557.35	-	-	11,557.35
Unquoted equity investments	-	-	9,392.47	9,392.47
<b>Investments at fair value through profit and loss</b>				
Mutual funds	12,318.57	-	-	12,318.57
Venture capital funds and alternative investment funds	-	-	3,693.24	3,693.24

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

- Investment in Quoted Equity Investments - Level 1 - Investment in listed equity instruments are measured at their readily available quoted price in the market.
- Investment in Unquoted Equity Investments - Level 3 - the Company has used earning capitalisation method (fair value approach) discounted at a rate to reflect the risk involved in the business.
- Investment in Mutual funds - Level 1 - Investment in mutual funds are measured at their readily available net asset value (NAV) (per unit) in the market.
- Investment in Venture Capital Funds and Alternative Investment Funds Level 3 - Investment in venture capital funds and alternative investment funds are measured at their fair value as per the Net Asset Value (NAV) Certificate shared by the fund/investee party.

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

Particulars	"As at 1 April 2020"	Purchases	Sales	Issuance	Net interest income/(loss) and other income/(loss)	Other comprehensive income	As at 31 March 2021
Investment in Venture Funds	2,306.69	990.79	(354.06)	-	749.81	-	3,693.24
Investment in Equity instruments	9,272.01	193.36	-	-	-	(72.90)	9,392.47
<b>Total investments</b>	<b>11,578.70</b>	<b>1,184.15</b>	<b>(354.06)</b>	<b>-</b>	<b>749.81</b>	<b>(72.90)</b>	<b>13,085.71</b>

Particulars	"As at 1 April 2021"	Purchases	Sales	Issuance	Net interest income/(loss) and other income/(loss)	Other comprehensive income	As at 31 March 2022
Investment in Venture Funds	3,693.24	1,757.00	(594.61)	-	486.20	-	5,341.83
Investment in Equity instruments	9,392.47	1.23	-	-	-	964.83	10,358.53
<b>Total investments</b>	<b>13,085.71</b>	<b>1,758.23</b>	<b>(594.61)</b>	<b>-</b>	<b>486.20</b>	<b>964.83</b>	<b>15,700.36</b>

**Sensitivity analysis**

Description	As at March 31, 2022	As at March 31, 2021
<b>Impact on fair value if change in earnings growth rate</b>		
- Impact due to increase of 5%	(785.02)	(654.29)
- Impact due to decrease of 5%	785.02	654.29

**The following table presents the changes in level 3 items for the periods ended March 31, 2022 and March 31, 2021:**

Particulars	
<b>As at March 31, 2020</b>	<b>(3,951.52)</b>
Gain/(loss) recognised in other comprehensive income	5,113.11
<b>As at March 31, 2021</b>	<b>1161.59</b>
Gain/(loss) recognised in other comprehensive income	6,837.47
<b>As at March 31, 2022</b>	<b>7,999.06</b>

**B.2 Fair value of instruments measured at amortised cost**

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



Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	129.35	129.35	72.87	72.87
Bank balances other than above	566.63	566.63	740.13	740.13
Loans	3.01	<b>3.01</b>	4,484.88	<b>4,484.88</b>
Investments	11,581.23	<b>12,061.38</b>	7,706.05	<b>8,066.02</b>
Other financial assets	175.52	<b>175.52</b>	246.54	<b>246.54</b>
<b>Total</b>	<b>12,455.74</b>	<b>12,239.91</b>	<b>13,250.47</b>	<b>12,797.44</b>
<b>Financial liabilities</b>				
Trade payables	21.96	21.96	7.43	7.43
Borrowings	150.80	150.80	608.51	608.51
Other financial liabilities	482.93	482.93	839.17	839.17
<b>Total</b>	<b>655.69</b>	<b>655.69</b>	<b>1,455.11</b>	<b>1,455.11</b>

**Valuation methodologies of financial instruments not measured at fair value**

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

**Financial assets and liabilities**

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

**Investments measured at amortised cost**

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

**44. Financial risk management**

**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, 2022	As at March 31, 2021
<b>(i) Low credit risk - Stage 1</b>		
Cash and cash equivalents	129.35	72.87
Bank balances other than above	566.63	740.13
Loans	3.01	4,484.88
Investments	11,581.23	7,706.05
Security deposits	83.60	80.51
Other financial assets	175.52	246.54
<b>(ii) Moderate credit risk - Stage 2</b>		
Loans	-	-
<b>(iii) High credit risk - Stage 3</b>		
Loans	-	-

\* 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.

**B. Credit risk exposure**

**(i) Expected credit losses for financial assets other than loans**

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

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- <sup>1</sup>- For investments - Considering the investments are in equity shares, mutual funds, and government securities, credit risk is considered low.
- <sup>1</sup>- 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, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying Amount net of impairment provision
Cash and cash equivalents	129.35	-	129.35
Bank balances other than above	566.63	-	566.63
Investments	11,581.23	-	11,581.23
Security deposits	83.60	-	83.60
Other financial assets	175.52	-	175.52

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying Amount net of impairment provision
Cash and cash equivalents	72.87	-	72.87
Bank balances other than above	740.13	-	740.13
Investments	7,706.05	-	7,706.05
Security deposits	80.51	-	80.51
Other financial assets	246.54	-	246.54

**ii) Expected credit loss for loans**

<sup>1</sup>The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

<sup>1</sup>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.

<sup>1</sup>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.

<sup>1</sup>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.

<sup>1</sup>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.

<sup>1</sup>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 2022	As at 31 March 2021
Gross loans in respect of borrower's where no specific default has occurred	-	4,500.00
Expected loss rate	-	-
Loans due from borrowers where specific default has occurred	-	-
Expected credit loss (loss allowance provision)	-	-
Reconciliation of loss allowance provision from beginning to end of reporting period	-	-
Reconciliation of loss allowance	-	-
<b>'Gross carrying amount as at March 31, 2022</b>	<b>-</b>	<b>4,500.00</b>

**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 2022	As at 31 March 2021
- Expiring within one year	2,170.76	1,962.06
- Expiring beyond one year	-	-
<b>Total</b>	<b>2,170.76</b>	<b>1,962.06</b>

**(ii) Maturities of financial liabilities**

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

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

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings other than debt securities including interest	150.80	-	-	-	150.80
Trade payables	21.96	-	-	-	21.96
Other financial liabilities	130.35	323.34	29.25	-	482.94
<b>Total</b>	<b>303.11</b>	<b>323.34</b>	<b>29.25</b>	<b>-</b>	<b>655.70</b>

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings other than debt securities including interest	608.51	-	-	-	608.51
Trade payables	7.43	-	-	-	7.43
Other financial liabilities	105.95	704.48	28.74	-	839.17
<b>Total</b>	<b>721.89</b>	<b>704.48</b>	<b>28.74</b>	<b>-</b>	<b>1455.11</b>



**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, 2022	As at March 31, 2021
<b>Mutual Funds, Equity Instruments and Venture Funds</b>		
Net assets value – increase by 50 basis points (50 bps)	1,069.49	901.66
Net assets value – decrease by 50 basis points (50 bps)	(1,069.49)	(901.66)

**Impact on other comprehensive income**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Equity instruments</b>		
Value per share – increase by 50 basis points (50 bps)	1,423.47	1,047.49
Value per share – decrease by 50 basis points (50 bps)	(1,423.47)	(1,047.49)

**45. Capital management**

The Company's capital management objectives are

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

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt*	21.46	535.63
Net worth	80,387.44	71,063.64
<b>Net debt to equity ratio</b>	<b>0.00</b>	<b>0.01</b>

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

**Dividends**

Particulars	As at March 31, 2022	As at March 31, 2021
The Board of directors at their meeting held on 25 May 2022 has proposed a final dividend of ₹ 1.50 per share for financial year 31 March 2022 (previous year: ₹ 1.50 per share) subject to approval of shareholders in annual general meeting.		
<b>Equity shares</b>		
Proposed - 'Final dividend for the year ended March 31, 2022 of ₹ 1.50 per share	251.19	251.19
Paid - 'Interim dividend for the financial year 2021-22 of ₹ 1.50 per share	251.19	-



**46. 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	4660.98	4425.09	327.53	334.43	4988.51	4759.52
Results						
Segment Result (Before Tax & Interest)	4296.53	4212.81	204.37	232.87	4500.90	4445.68
Less :A. Interest Paid	9.07	17.40	0.00	0.00	9.07	17.40
B. Other Unallocable Expenses	395.08	318.73	0.00	0.00	395.08	318.73
	<b>404.15</b>	<b>336.13</b>	<b>0.00</b>	<b>0.00</b>	<b>404.15</b>	<b>336.13</b>
Profit Before Tax					4096.75	4109.55
Less : Income Tax					1054.00	1142.65
Profit After Tax					<b>3042.75</b>	<b>2966.90</b>
<b>Capital Employed</b>						
Assets	74170.61	63934.98	7636.71	9195.62	81807.32	73130.60
Unallocable Assets	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Assets</b>	<b>74170.61</b>	<b>63934.98</b>	<b>7636.71</b>	<b>9195.62</b>	<b>81807.32</b>	<b>73130.60</b>
Segment Liabilities	165.30	197.77	399.40	715.87	564.70	913.64
Unallocable Liabilities	855.18	1153.31	0.00	0.00	855.18	1153.31
<b>Total Liabilities</b>	<b>1020.48</b>	<b>1351.08</b>	<b>399.40</b>	<b>715.87</b>	<b>1419.88</b>	<b>2066.95</b>
Capital Expenditure	0.00	0.00	0.00	1543.81	0.00	1543.81
Depreciation					102.40	83.30

- 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.

**47. As per Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016.**

Particulars	Amount	Amount	Amount	Amount
	Outstanding	Overdue	Outstanding	Overdue
	31-Mar-22	31-Mar-22	31-Mar-21	31-Mar-21
<b>1. Loans and advances availed by NBFC Inclusive of Interest accrued thereon but not paid</b>				



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)	150.80	0.00	608.51	0.00
<b>2. Break up of Loans &amp; Advances including bills receiveable other than those including in (3) below</b>				
a. Secured (Net)	0.00	0.00	0.00	0.00
b. Unsecured (Net)	0.00	0.00	0.00	0.00
<b>3. Break up of Leased Assets and Stock in hire and other assets counting towards AFC activities Lease Assets including lease rentals under Sundry Debtors</b>		<b>As at</b>		<b>As at</b>
		<b>31.03.2022</b>		<b>31.03.2021</b>
1. Financial Lease (Net of Depreciation and Lease adjustment)		0.00		0.00
2. Operating Lease		0.00		0.00
<b>4. Break up of Investments</b>				
<b>a. Current Investments</b>				
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>b. Long Term Investments</b>				
1. Quoted				
-Equity Shares		30792.54		24143.67
-Preference Shares		0.00		26.60
-Debentures & Bonds		5060.75		3632.29
-Units of Mutual Funds/Venture Funds/AIF		14111.65		13272.12
-Government Securities		154.19		154.19
<b>Total</b>		<b>50119.13</b>		<b>41228.87</b>
2. Unquoted				
-Equity Shares		10358.53		9392.47
-Preference Shares		8406.59		5400.00
-Debentures & Bonds		200.00		200.00
-Units of Mutual Funds/Venture Funds/AIF		4621.37		2739.68
<b>Total</b>		<b>23586.49</b>		<b>17732.15</b>
<b>Grand Total</b>		<b>73705.62</b>		<b>58961.03</b>

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

Particulars	Amount Net of Provisions					
	Secured	Secured	Unsecured	Unsecured	Total	
	31.03.22	31.03.21	31.03.22	31.03.21	31.3.22	31.3.21
1) Related Parties						
a) Subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00
b) Companies in the Same Group	0.00	4500.00	0.00	0.00	0.00	4500.00
c) Other related parties	0.00	0.00	0.00	0.00	0.00	0.00
2) Other than related Parties	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>4500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4500.00</b>

**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)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1) Related Parties				
a) Subsidiaries	0.00	0.00	0.00	0.00
b) Companies in the Same Group	12132.32	12132.32	12132.32	12132.32
c) Other related parties	24788.48	16582.37	7508.29	4508.29
2) Other than related Parties	36784.83	30246.34	29992.37	24040.49
<b>Total</b>	<b>73705.63</b>	<b>58961.03</b>	<b>49632.98</b>	<b>40681.10</b>

**7. Other Information**

Particulars	Amount as on 31.03.2022	Amount as on 31.03.2021
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	0.00
c) Assets acquired in satisfaction of debt	0.00	0.00



**48. As per Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016.**

<b>3.1. Capital to Risk Asset Ratio ("CRAR")</b>											
<b>Items</b>		<b>31.03.2022</b>		<b>(Rs. In Lacs)</b>		<b>31.03.2021</b>					
i)	CRAR (%)	<b>97.63</b>		97.16							
ii)	CRAR - Tier I Capital (%)	<b>97.63</b>		97.13							
iii)	CRAR - Tier II Capital (%)	<b>0.00</b>		0.03							
iv)	Amount of subordinated debt raised as Tier-II Capital	<b>0.00</b>		0.00							
v)	Amount raised by issue of Perpetual Debt Instruments	<b>0.00</b>		0.00							
<b>3.2. Investments</b>											
<b>(1) Value of Investments</b>											
(i) Gross Value of Investments											
(a) In India		<b>73705.63</b>		58961.03							
(b) Outside India		<b>0.00</b>		0.00							
(ii) Provisions for Depreciation											
(a) In India		<b>0.00</b>		0.00							
(b) Outside India		<b>0.00</b>		0.00							
(iii) Net Value of Investments											
(a) In India		<b>0.00</b>		0.00							
(b) Outside India		<b>0.00</b>		0.00							
<b>(2) Movement of Provisions held towards depreciation on Investments</b>											
(i) Opening Balance											
		<b>0.00</b>		0.00							
(ii) Add : Provisions made during the year											
		<b>0.00</b>		0.00							
(iii) Less : Write-off/write-back of excess provisions during the year											
		<b>0.00</b>		0.00							
(iv) Gross Value of Investments											
		<b>0.00</b>		0.00							
<b>3.3. Derivatives</b>											
<b>3.3.1 Forward Rate Agreement/Interest Swap</b>											
		<b>N.A.</b>		N.A.							
<b>3.3.2 Exchange Traded Interest Rate (IR) Derivatives</b>											
		<b>N.A.</b>		N.A.							
<b>3.3.3 Disclosed on Risk Exposure in Derivatives</b>											
Qualitative Disclosure		<b>N.A.</b>		N.A.							
<b>3.5. Asset Liability Management Maturity pattern of certain items of Assets &amp; Liabilities</b>											
	<b>1 day to 7 days</b>	<b>8 day to 14 days</b>	<b>15 day to 30/31 days</b>	<b>Over 1 month to 2 months</b>	<b>Over 2 month to 3 month</b>	<b>Over 3 month to 6 month</b>	<b>Over 6 month to 1 Year</b>	<b>Over 1 year to 3 Year</b>	<b>Over 3 year to 5 Year</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Deposits</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Advances</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Investments</b>	13.77	400.41	705.88	272.26	650.70	1733.64	1839.34	14179.19	1715.96	52194.48	73705.63
<b>Borrowings</b>	0.00	0.00	0.00	0.00	150.80	0.00	0.00	0.00	0.00	0.00	150.80
<b>Foreign Currency assets</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Foreign Currency liabilities</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00





<b>3.6. Exposures</b>		
<b>3.6.1. Exposure to Real Estate Category</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
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 Investcorp Real Estate Yield Fund, Nippon India Yield Maximiser AIF-I, ICICI Prudential Real Estate AIF-I, ICICI Prudential Real Estate AIF-II, Asha Fund (Arthveda Low Income Housing Fund), Investcorp Score Fund, Ask Real Estate Special Situations Fund, India Bulls Dual Advantage Commercial Asset Fund, ICICI Prudential Office Yield Optimizer Fund and ATS Infra build Private Ltd	0.00	0.00
a) Residential	885.12	959.05
b) Commercial Real Estate	618.45	617.64
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	2213.57	2328.92
<b>3.6.2. Exposure to Capital Market</b>		
(i) Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	33605.32	26137.24
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (Including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	0.00	0.00
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.00	0.00
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00
(v) Secured and Unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market maker;	0.00	0.00
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
(vii) Bridge loans to companies against expected equity flows/issues;	0.00	0.00
(viii) All exposures to Venture Capital funds (Both registered and unregistered)	1580.52	602.77
<b>Total Exposures to Capital Market</b>	<b>35185.84</b>	<b>26740.01</b>
<b>3.6.3. Details of financing of parent company products</b>	<b>N.A.</b>	<b>N.A.</b>
<b>3.6.4. Details of Single Borrower Limit(SBL)/ Group Borrower Limit (GBL) exceeded by the applicable NBFC</b>	<b>N.A.</b>	<b>N.A.</b>



<b>3.6.5. Unsecured Advances</b>		
a) For determining the amount of unsecured advances the rights, licenses authorisations, etc., charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by them, shall not be reckoned as tangible security. Hence such advances shall be reckoned as unsecured.	N.A.	N.A.
b) Applicable NBFCs shall also disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral. The disclosure shall be made under a separate head in NTA. This would differentiate such loans from other entirely unsecured loans.	N.A.	N.A.
<b>4. Miscellaneous</b>		
<b>4.1 Registered obtained from other financial sector regulators</b>	N.A.	N.A.
<b>4.2 Disclosure of Penalties imposed by RBI and other regulators</b>	N.A.	N.A.
<b>4.3 Related Party Transactions</b>	Please refer the Note No 36 in Annual Report	Please refer the Note No 36 in Annual Report
<b>4.4 Ratings assigned by credit rating agencies and migrations of ratings during the year.</b>	Please refer the Directors report	Please refer the Directors report
<b>4.5 Remunerations of Directors</b>	Please refer the Directors report	Please refer the Directors report
<b>4.6 Management</b>	Please refer the Directors report	Please refer the Directors report
<b>4.7 Net Profit or Loss for the period, prior period items and changes in accounting policies</b>		
<b>Previous Year Income</b>	24.48	3.50
<b>Previous Year Income-Dividend Income</b>	2.22	0.02
<b>Previous Year Expenses Written Back</b>	1.11	40.05
<b>Provisions of Earlier Years Written Back</b>	32.00	0.00
<b>Previous Year Expenses</b>	0.66	0.00
<b>Previous Year Income Written Back</b>	7.98	0.00
<b>4.8 Revenue Recognition</b>	N.A.	N.A.
<b>4.9 Consolidated Financial Statements (CFS)</b>	Already Giving	Already Giving
<b>5. Additional Disclosures</b>		
<b>5.1 Provisions and contingencies</b>	N.A.	N.A.
<b>5.2 Draw Down for Reserves</b>	N.A.	N.A.
<b>5.3 Concentration of Deposits, Advances, Exposures and NPSs</b>	N.A.	N.A.
<b>5.3.1 Concentrations of Deposits (for deposit taking NBFCs)</b>	N.A.	N.A.
<b>5.3.2 Concentration of Advances</b>	N.A.	N.A.
<b>5.3.3 Concentration of Exposures</b>	N.A.	N.A.
<b>5.3.4 Concentration of NPAs</b>	N.A.	N.A.
<b>5.3.5 Sector-wise NPAs Concentration of NPAs</b>	N.A.	N.A.
<b>5.4 Movement of NPAs</b>	N.A.	N.A.



<b>5.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)</b>	N.A.	N.A.
<b>5.6 Off-balance Sheet SPVs sponsored</b>	N.A.	N.A.
<b>6. Disclosures of Complaints</b>		
<b>6.1. Customer Complaints</b>	N.A.	N.A.

**49. 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	4096.76	4109.55
Add: Managerial Remuneration & Commission	344.80	273.38
Net Profit U/S 198 of the Companies Act, 2013	4441.56	4382.93
Managerial Remuneration paid to Managing Director		
Salary Income	342.00	273.38
Commission	2.80	0.00
Other Perquisites	0.00	0.00
	<b>344.80</b>	<b>273.38</b>

Mr. Dinesh Oswal, Managing Director, has been paid remuneration from 1st April 2021 to 31st December, 2021 as per Shareholders approval vide their Special Resolution dated 30th September, 2019 and from 1st January 2022 to 31st March, 2022, as per shareholders' approval vide their Special Resolution dated 29th September, 2021 under Section 197 read with Schedule V of the Companies Act, 2013.

**50.** Results of Current Year ended 31.03.2022 are not comparable with the corresponding year ended 31.03.2021 as the results of the previous year was impacted on account of Covid-19 pandemic. The Company has made assessment of its liquidity position for the current year and the recoverability and carrying value of its assets. The Company has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial results. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor and material changes arising out of the future economic conditions and its impact on the business of the company.

**51. Ratios**

Company has already reported the same in Note 48 and no other ratios are applicable to us.

**52.** The previous year figures regrouped/reclassified to confirm the current year classification.

For YAPL & Company  
Chartered Accountants  
FRN 017800N

**Sakshi Garg**  
(Partner)  
M.No.553997  
Place : Ludhiana  
Date : 25th May 2022  
UDIN : 22553997AJPEKR9947

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

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

**Dinesh Oswal**  
Managing Director  
DIN : 00607290



**INDEPENDENT AUDITOR'S REPORT**

**To The Members of  
Nahar Capital and Financial Services Limited**

**Report on the Audit of the Consolidated 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, 2022, 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, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our

audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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.

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<b>Investments as on 31<sup>st</sup> March, 2022</b> <i>(Refer to Note no.6 to the notes to the Consolidated financial statements)</i>	
<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 company.</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 Consolidated financial statements.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Assessing the availability of quoted prices in liquid markets.</li> <li>• Performing our own independent price checks using external quotes for liquid positions and to identify any potential impairment.</li> <li>• We also assessed whether the Company's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.</li> </ul>

**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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.
  - iv) (a) The Management has represented that, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested



- (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (a) and (b) above, contain any material misstatement.
- v) As stated in the Consolidated financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**Dated : 25<sup>TH</sup> May, 2022**

**Place : Ludhiana**

**UDIN : 22553997AJPETZ8615**

**(CA Sakshi Garg)**

**Partner**

**M.No.553997**

#### **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S 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 2022 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 2022, 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**

**Dated : 25<sup>TH</sup> May, 2022  
Place : Ludhiana  
UDIN: 22553997AJPETZ8615**

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





**Consolidated Statement of Cash Flows for the year ended 31st March, 2022**

(All Amount in Lakhs Rupees, unless otherwise stated)

	For year ended March 31, 2022	For year ended March 31, 2021
<b>A Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>30552.47</b>	<b>8369.99</b>
<u>Adjustments for:</u>		
Depreciation and amortisation expense	102.40	83.30
Interest income on fixed deposit and financials assets measured at amortised cost	(864.57)	(842.26)
Dividend income classified as investing cash flows	(821.95)	(352.69)
Share of Other Comprehensive Income/(loss) of Association accounted for using equity method	(27,127.73)	(4,381.32)
Remeasurement gains and loss on employee benefit obligations	0.06	0.07
Fair Value gain/( loss) on Investments	988.86	656.67
Corporate Social Responsibility Expenses	-	(41.45)
Interest paid	9.07	17.40
<b>Operating profit before working capital changes</b>	<b>2838.62</b>	<b>3509.71</b>
<u>Inflow/(outflow) on account of:</u>		
Loans	4481.87	(1,793.58)
Investments	(14,072.59)	(6,996.75)
Bank balance other than cash and cash equivalents	173.50	102.27
Inventory	1332.43	232.23
Other financial assets	71.02	116.38
Other non-financial assets	0.26	18.78
Trade and other payables	14.53	(5.18)
Short term borrowings	(457.70)	200.85
Provisions	0.46	0.32
Other financial liability	(356.24)	(69.12)
Other non-financial liability	(7.69)	33.05
<b>Cash used in operating activities post working capital changes</b>	<b>(5,981.53)</b>	<b>(4,651.04)</b>
Income tax paid (net)	(939.61)	(833.48)
<b>Net cash inflow from/ (used in) operating activities (A)</b>	<b>(6,921.14)</b>	<b>(5,484.52)</b>
<b>B Cash flows from investing activities</b>		
Purchase of Property, plant and equipment and investment property	(46.04)	(7.05)
Dividend received	821.94	352.69
Fair value gain/(loss) on Investments	(988.86)	(656.67)
Interest received	864.57	842.26
Investments of Equity Instruments on Other Comprehensive Income	6837.47	5113.11
<b>Net cash inflow from/ (used in) investing activities (B)</b>	<b>7489.08</b>	<b>5644.34</b>
<b>C Cash flows from financing activities*</b>		
Interest paid	(9.07)	(17.40)
Dividend paid (including tax)	(502.39)	(83.73)
<b>Net cash inflow from/ (used in) financing activities (C)</b>	<b>(511.46)</b>	<b>(101.13)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>56.48</b>	<b>58.69</b>
Cash and cash equivalents at the beginning of the year	72.87	14.18
<b>Cash and cash equivalents at the end of year</b>	<b>129.35</b>	<b>72.87</b>

This is the consolidated 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  
Place : Ludhiana  
Date : 25th May 2022  
UDIN: 22553997AJPETZ8615

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

**Dinesh Oswal**  
Managing Director  
DIN : 00607290



**Consolidated Balance Sheet as at 31st March, 2022**

(All Amount in Lakhs Rupees, unless otherwise stated)

Particulars	Note No	As At 31 March, 2022	As At 31 March, 2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and Cash equivalents	3	129.35	72.87
Bank Balances other than above	4	566.63	740.13
Loans	5	3.01	4,484.88
Investments	6	165,239.90	101,380.11
Others Financial Assets	7	175.52	246.54
<b>Total Financial Assets</b>		<b>166,114.41</b>	<b>106,924.53</b>
<b>Non - Financial Assets</b>			
Inventories	8	1,500.13	2,832.56
Current Tax Assets	9	207.66	217.71
Investment Property	10	5,461.93	5,564.11
Property, Plant and Equipment	11	1.53	1.18
Capital Work in Progress	12	53.66	7.05
Other Non Financial Assets	13	2.28	2.54
<b>Total Non Financial Assets</b>		<b>7,227.19</b>	<b>8,625.15</b>
<b>TOTAL</b>		<b>173,341.60</b>	<b>115,549.68</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
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			
	14	21.96	7.43
Borrowings (Other than Debt Securities)	15	150.80	608.51
Other Financial liabilities	16	482.93	839.17
<b>Total Financial liabilities</b>		<b>655.69</b>	<b>1,455.11</b>
<b>Non-Financial liabilities</b>			
Provisions	17	5.14	4.68
Deferred Tax Liabilities	18	16697.46	9685.88
Other Non-Financial Liabilities	19	54.67	62.36
<b>Total Non-Financial Liabilities</b>		<b>16757.27</b>	<b>9752.92</b>
<b>EQUITY</b>			
Equity Share Capital	20	837.31	837.31
Other Equity	21	155091.33	103504.34
<b>Total Equity</b>		<b>155,928.64</b>	<b>104,341.65</b>
<b>TOTAL</b>		<b>173,341.60</b>	<b>115,549.68</b>

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

For YAPL & Company  
Chartered Accountants  
FRN 017800N

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

**Sakshi Garg**  
(Partner)  
M.No.553997  
Place : Ludhiana  
Date : 25th May 2022  
UDIN: 22553997AJPETZ8615

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

**Dinesh Oswal**  
Managing Director  
DIN : 00607290



**Consolidated Statement of Profit & Loss Account for the year ending 31st March, 2022**

(All Amount in Lakhs Rupees, unless otherwise stated)

Particulars	Note No.	For Year ended March 31, 2022	For Year ended March 31, 2021
<b>Income</b>			
Interest Income	22a	760.91	691.86
Dividend Income	23	821.94	352.69
Rental Income	24	327.53	334.43
Net Gain On Fair Value Changes (Held for trading)	25	988.86	656.67
AIF Income Tax Free Trading unit	22b	103.66	150.40
<b>Total revenue from operations (I)</b>		<b>3,002.90</b>	<b>2,186.05</b>
<b>Other income</b>			
Net Gain on Fair Value Changes	26	1,074.43	2,304.94
AIF Income Tax Free	22b	98.93	27.53
Net gain on Derecognition of Financial Instruments		82.59	76.26
Under Amortised Cost Category			
Other Income		57.65	43.86
<b>Total other income (II)</b>		<b>1,313.60</b>	<b>2,452.59</b>
<b>Total income (I+II)</b>		<b>4,316.50</b>	<b>4,638.64</b>
<b>Expenses:</b>			
Finance Costs	27	9.07	17.40
Fees and Commission Expense	28	27.22	-
Employee Benefits Expenses	29	487.47	379.38
Impairment on Financial Instruments	30	-	-
Depreciation and Amortisation	31	102.40	83.30
Other Expenses	32	265.60	169.89
<b>Total expenses</b>		<b>891.76</b>	<b>649.97</b>
Share of profit/(loss) of associates for using equity method		27,127.73	4,381.32
<b>Profit before tax</b>		<b>30,552.47</b>	<b>8,369.99</b>
<b>Tax expense</b>			
Current tax	33	949.65	799.94
Deferred tax charge		6956.37	1472.91
<b>Total Tax Expense</b>		<b>7,906.02</b>	<b>2,272.85</b>
<b>Net Profit for the year</b>		<b>22,646.45</b>	<b>6,097.14</b>
<b>Other comprehensive income</b>			
<b>A) Items that will not be reclassified to profit and loss</b>			
Changes in fair value of FVOCI equity instruments (inclusive of realised gain/loss thereon)		6,837.47	5,113.11
Remeasurements of post-employment benefit obligations		1.19	0.21
Income tax relating to items that will not be reclassified to profit or loss		(55.22)	(419.99)
<b>Other comprehensive income/(loss) for the year</b>		<b>6,783.44</b>	<b>4,693.33</b>
<b>B i) Items that will be reclassified to profit or loss</b>			
ii) Share of other comprehensive income/(loss) of associates accounted for using equity method		22659.48	4471.03
<b>Total comprehensive income/(loss) for the year</b>		<b>29,442.92</b>	<b>9,164.36</b>
<b>Profit after tax</b>		<b>52,089.37</b>	<b>15,261.50</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs. 5 each	34		
Basic		135.23	36.41
Diluted		135.23	36.41

The accompanying notes form 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  
Place : Ludhiana  
Date : 25th May 2022  
UDIN: 22553997AJPETZ8615

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

**Dinesh Oswal**  
Managing Director  
DIN : 00607290

**Notes forming part of Financial Statement for the year ending 31st March 2022****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, real estate activities and other businesses generally carried on by finance and investment companies. The company is domiciled in India and has its registered office at Ludhiana, Punjab, India. The CIN No of the Company is L45202PB2006PLC029968 and RBI Registration no is N-06.00588. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited.

**Summary of significant accounting policies and other explanatory information for the year ended 31st March 2022****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, 2022 were authorized and approved for issue by the Board of Directors on 25 May 2022.

**(ii) Accounting 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.

**(iii) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of the schedule III unless otherwise stated.

**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 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.

##### **Transition to Ind AS**

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

#### **e) Inventories**

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

#### **f) Revenue recognition**

##### **Interest income**

Interest income is recorded on accrual basis using the Effective Interest Rate (EIR) method. Additional

interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

**Dividend income**

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

**Rental income**

Rental Income is accounted for on accrual basis.

**Commission income**

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

**Miscellaneous income**

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

**g) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended 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.

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

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

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

on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

**i) Employee benefits**

**Short-term employee benefits**

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

**Other long term employee benefit obligations:**

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

**Post-employment obligations:**

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

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

**Defined contribution plans**

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

**j) Impairment of non-financial assets**

**Loan 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.



Particulars	As at March 31, 2022	As at March 31, 2021
<b>3 Cash and cash equivalents</b>		
Cash in hand	0.44	0.34
Balance with banks		
- with scheduled banks in current accounts	0.15	3.34
- with scheduled banks held as PMS	128.76	69.19
<b>Total</b>	<b>129.35</b>	<b>72.87</b>
<b>4 Bank balances other than above</b>		
Bank Deposits with banks having maturity less than three months	1.00	-
Bank Deposits with banks having maturity more than twelve months	25.00	361.39
Earmarked Balances with banks for unpaid dividends	29.25	28.74
Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date	511.38	350.00
	<b>566.63</b>	<b>740.13</b>
<b>5 Loans</b>		
The Company has categorised all loans at Amortised Cost in accordance with the requirements of Ind AS 109 and IRACP norms of Reserve Bank of India.		
<b>Loans</b>		
Loans repayable on demand- Stage 1	-	4500.00
Loans repayable on demand- Stage 2	-	-
Other Loans	3.01	2.88
<b>Total (A) - Gross Loans</b>	<b>3.01</b>	<b>4,502.88</b>
Less: Standard Asset Provision- Stage 1	-	(18.00)
Less: Allowance for impairment loss for loan assets-Stage 3	-	-
<b>Total (A) - Net Loans</b>	<b>3.01</b>	<b>4,484.88</b>
<b>Security Details</b>		
Un-Secured by tangible asset	-	-
Unsecured	-	4500.00
Less: Allowance for impairment loss for loan assets	-	-
Loans to employees	3.01	2.88
<b>Total (B) - Gross Loans</b>	<b>3.01</b>	<b>4,502.88</b>
Less: Standard Asset Provision	-	(18.00)
Less: Allowance for impairment loss for loan assets	-	-
<b>Total (B) - Net Loans</b>	<b>3.01</b>	<b>4,484.88</b>
Loans in India	3.01	4502.88
Loans outside India	-	-
<b>Total (B) - Gross Loans</b>	<b>3.01</b>	<b>4,502.88</b>
Less: Allowance for impairment loss for loan assets	-	-
Less: Standard Asset Provision	-	(18.00)
<b>Total (B) - Net Loans</b>	<b>3.01</b>	<b>4,484.88</b>
<b>5.1 Reconciliation between the figures reported under Ind-AS and actual amounts outstanding in respect of Loans:</b>		
<b>Net Loans</b>	<b>3.01</b>	<b>4502.88</b>
Add: Allowance for Expected Credit Loss netted off as per Ind-AS	-	(18.00)
<b>Gross Loans</b>	<b>3.01</b>	<b>4484.88</b>


**6A. Investments at Fair Value**

Particulars	At Fair Value				At Cost	Total
	Amortized cost	Through other comprehensive income	Through profit or loss	Sub-total		
<b>As at March 31, 2022</b>						
<b>Investments</b>						
In India						
Mutual Funds	-	-	13,390.46	13,390.46	-	13,390.46
Government securities	154.19	-	-	-	-	154.19
Debt Securities	3,020.45	-	2,108.19	2,108.19	-	5,128.64
Preference shares (Other Group Companies)	7,000.00	-	-	-	-	7,000.00
Preference shares(Other)	1,406.59	-	-	-	-	1,406.59
Equity Instruments (Subsidiaries/Associates)	-	-	-	-	-	-
Equity Instruments (Other Group companies)	-	17,788.48	-	17,788.48	-	17,788.48
Equity Instruments (Others)	-	10,680.90	549.37	11,230.27	-	11,230.27
AIF/Venture Funds	-	-	5,341.83	5,341.83	-	5,341.83
Interest accrued	-	-	-	-	132.84	132.84
<b>Total</b>	<b>11,581.23</b>	<b>28,469.38</b>	<b>21,389.85</b>	<b>49,859.23</b>	<b>132.84</b>	<b>61,573.30</b>

<b>As at March 31, 2021</b>						
<b>Investments</b>						
In India						
Mutual Funds	-	-	12,318.57	12,318.57	-	12,318.57
Government securities	154.19	-	-	-	-	154.19
Debt Securities	2,125.26	-	1,567.45	1,567.45	-	3,692.71
Preference shares (Other Group Companies)	4,000.00	-	-	-	-	4,000.00
Preference shares(Other)	1,426.60	-	-	-	-	1,426.60
Equity Instruments (Subsidiaries/Associates)	-	-	-	-	-	-
Equity Instruments (Other Group companies)	-	12,582.37	-	12,582.37	-	12,582.37
Equity Instruments (Others)	-	8,367.46	454.00	8,821.46	-	8,821.46
AIF/Venture Funds	-	-	3,693.24	3,693.24	-	3,693.24
Interest accrued	-	-	-	-	139.58	139.58
<b>Total</b>	<b>7,706.05</b>	<b>20,949.83</b>	<b>18,033.26</b>	<b>38,983.09</b>	<b>139.58</b>	<b>46,828.71</b>

**6B Investments accounted for using equity method**

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Investments in Associates</b>		
Nahar Spinning Mills Limited (16,356,574 equity shares of Rs. 56.52 each (Previous year 16,356,574 equity shares of 56.52 each)	72,588.64	40,721.34
Nahar Poly Films Limited (1,20,87,671 equity shares of Rs. 23.88 each (Previous year 1,20,87,671 equity shares of 23.88 each)	31,077.96	13,830.06
<b>Total</b>	<b>103,666.60</b>	<b>54,551.40</b>
<b>Grand Total : (6A + 6B)</b>	<b>165,239.90</b>	<b>101,380.11</b>

**7 Others Financial Assets (Considered Good unless otherwise stated)**

Rent Receivable (0 to 6 Months)	13.34	58.53
Security Deposits	83.60	80.51
Sundry Receivable	78.58	107.50
	<b>175.52</b>	<b>246.54</b>
<b>Ageing Schedule(Sundry Receivable)</b>		
0-6 Months	64.40	88.95
6 Month to 1 Year	0.02	0.10
1 Year to 2 Year	0.10	5.50
2 Year to 3 Year	1.11	2.09
More Than 3 Years	12.95	10.86
	<b>78.58</b>	<b>107.50</b>

**8. Inventories**

Real Estate Property	1,500.13	2,832.56
	<b>1,500.13</b>	<b>2,832.56</b>

**9. Current tax assets (net)**

Advance income tax	1,157.66	1,017.71
Less: Provision for income tax	950.00	(800.00)
<b>Current tax assets (net)</b>	<b>207.66</b>	<b>217.71</b>



**10. Investment Property**

**Current Year**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2021	Additions	Disposal/ adjustments	As at 31 Mar 2022	As at 1 April 2021	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2022	As at 31 Mar 2022	As at 31 Mar 2021
Buildings	5,657.23	-	-	5,657.23	206.63	89.57	-	296.21	5,361.02	5,450.60
Furniture	132.71	-	-	132.71	19.20	12.61	-	31.80	100.91	113.51
<b>Total</b>	<b>5,789.94</b>	<b>-</b>	<b>-</b>	<b>5,789.94</b>	<b>225.83</b>	<b>102.18</b>	<b>-</b>	<b>328.01</b>	<b>5,461.93</b>	<b>5,564.11</b>

**10. Investment Property**

**Previous Year**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposal/ adjustments	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 Mar 2020
Buildings	4,113.42	1,543.81	-	5,657.23	137.22	69.42	-	206.64	5,450.60	3,976.20
Furniture	132.71	-	-	132.71	6.51	12.61	-	19.20	113.51	126.20
<b>Total</b>	<b>4,246.13</b>	<b>1,543.81</b>	<b>-</b>	<b>5,789.94</b>	<b>143.73</b>	<b>82.03</b>	<b>-</b>	<b>225.84</b>	<b>5,564.11</b>	<b>4,102.40</b>

**10.1. Fair value of investment property**

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Carrying value	5461.93	5564.11
Fair value	5461.93	5564.11

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 considers information from a 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 have been determined by an independent valuer and the main inputs used are circle rates and current prices on similar properties. All resulting fair value estimates for investment property are included in level

**11. Property, Plant & Equipment**

**Current Year**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2021	Additions	Disposal/ adjustments	As at 31 Mar 2022	As at 1 April 2021	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2022	As at 31 Mar 2022	As at 31 Mar 2021
Vehicles	11.57	-	-	11.57	10.99	-	-	10.99	0.58	0.58
Office equipments	3.74	0.57	-	4.31	3.14	0.22	-	3.36	0.95	0.60
<b>Total</b>	<b>15.31</b>	<b>0.57</b>	<b>-</b>	<b>15.88</b>	<b>14.13</b>	<b>0.22</b>	<b>-</b>	<b>14.35</b>	<b>1.53</b>	<b>1.18</b>

**11. Property, Plant & Equipment**

**Previous Year**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposal/ adjustments	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Adjustment on disposal of assets	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 Mar 2020
Vehicles	11.57	-	-	11.57	9.99	1.00	-	10.99	0.58	1.58
Office equipments	3.74	-	-	3.74	2.94	0.28	-	3.22	0.60	0.80
<b>Total</b>	<b>15.31</b>	<b>-</b>	<b>-</b>	<b>15.31</b>	<b>12.93</b>	<b>1.28</b>	<b>-</b>	<b>14.21</b>	<b>1.18</b>	<b>2.38</b>

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

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

11.2 While the Company has not made any specific borrowings for construction of a quality 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, 2022	As at March 31, 2021
<b>12 Capital Work in Progress</b>		
Capital Advance against Property	53.66	7.05
- 1-2 Years & Suspended : 7,05,290.00		
- Upto 1 year & in Process : 46,61,003.00, to be completed in less than a year		
	<b>53.66</b>	<b>7.05</b>
<b>13 Other non financial assets</b>		
Prepaid expenses	2.28	2.54
	<b>2.28</b>	<b>2.54</b>
<b>14 Trade payables</b>		
Total outstanding dues of creditors other than MSME's	21.96	7.43
	<b>21.96</b>	<b>7.43</b>
<b>Agening</b>		
Not Due	21.51	7.30
0 Months to 6 Months	0.31	0.13
6 Months to 1 Year	0.14	-
	<b>21.96</b>	<b>7.43</b>
<b>15 Borrowings</b>		
<b>Secured loans</b>		
Overdraft facility against investments	150.80	608.51
<b>Total (A)</b>	<b>150.80</b>	<b>608.51</b>
Borrowings in India	150.80	608.51
Borrowings outside India	-	-
<b>Total (B)</b>	<b>150.80</b>	<b>608.51</b>
<b>- Above borrowings are secured against Mutual Funds held as Investment by the Company</b>		
<b>16 Other Financial liabilities</b>		
Security deposits	56.67	137.81
Advance against asset held for sale	266.66	566.67
Payable to employees	33.54	30.44
Unpaid dividend	29.25	28.74
Expenses payables	33.37	6.71
Other payables	63.44	68.80
	<b>482.93</b>	<b>839.17</b>
<b>17 Provisions</b>		
Provisions for compensated absences(LWW)	0.84	0.44
Gratuity Payable	4.30	4.24
	<b>5.14</b>	<b>4.68</b>
<b>18 Deferred tax liabilities (net)</b>		
Deferred Tax liabilities recognised on account of: Investment measured at fair value through p & L	16,697.46	9,685.88
	<b>16,697.46</b>	<b>9,685.88</b>
<b>19 Other non-financial liabilities</b>		
Statutory dues	19.75	19.43
Deferred income	34.92	42.93
	<b>54.67</b>	<b>62.36</b>



## 20 Equity Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorised equity share capital</b>		
30,000,000 (Previous year : 30,000,000) equity shares of RS 5 each	1500.00	1500.00
	<b>1500.00</b>	<b>1500.00</b>
<b>Issued, subscribed and paid up equity share capital</b>		
16,746,167 (Previous year : 16,746,167) equity shares of Rs 5 each	837.31	837.31
	<b>837.31</b>	<b>837.31</b>

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

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

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

Equity shares	31.03.2022		31.03.2021	
	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

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

Particulars	31.03.2022		31.03.2021	
	No. of shares	Percentage	No. of shares	Percentage
Nahar Poly Films Ltd	66.12	39.48%	66.12	39.48%
Abhilash Oswal	13.38	7.99%	13.38	7.99%
Sankeshwar Holding Company Limited	29.95	17.88%	29.56	17.65%

Share Holding of Promotor	31.03.2022 No. of shares	31.03.2022 Percentage	31.03.2021 No. of shares	31.03.2021 Percentage	Change Percentage
Ruchika Oswal	11,555	0.08%	11,555	0.08%	0.00%
Abhilash Oswal	1,338,173	7.99%	1,338,173	7.99%	0.00%
Monica Oswal	11,520	0.07%	11,520	0.07%	0.00%
Jawahar Lal Oswal	40,012.00	0.24%	40,012.00	0.24%	0.00%
Dinesh Oswal	64,091.00	0.38%	64,091.00	0.38%	0.00%
Tanvi Oswal	1,000.00	0.01%	1,000.00	0.01%	0.00%
Sambhav Oswal	1,000.00	0.01%	1,000.00	0.01%	0.00%
Ritu Oswal	1,000.00	0.01%	1,000.00	0.01%	0.00%
Kamal Oswal	259.00	0.00%	259.00	0.00%	0.00%
Manisha Oswal	230.00	0.00%	230.00	0.00%	0.00%
Abhinav Oswal	268.00	0.00%	268.00	0.00%	0.00%
Rishabh Oswal	250.00	0.00%	250.00	0.00%	0.00%
Sanjana Oswal	250.00	0.00%	250.00	0.00%	0.00%
<b>Promotor Group</b>					
Nahar Poly Films Limited	6,611,632.00	39.48%	6,611,632.00	39.48%	0.00%
Nahar Financial and Investment Limited	285,000.00	1.70%	285,000.00	1.70%	0.00%
Sankeshwar Holding Co. Ltd.	2,994,750.00	17.88%	2,956,269.00	17.65%	-0.23%
Nahar Spinning Mills Limited	607,856.00	3.63%	577,856.00	3.45%	-0.18%

**21. Other Equity**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(a) SECURITIES PREMIUM ACCOUNT</b>		
Opening Balance	12,591.71	12,591.71
Add: Additions during the year	-	-
<b>Balance at the year end</b>	<b>12,591.71</b>	<b>12,591.71</b>
<b>(b) GENERAL RESERVE</b>		
Opening Balance	43,321.15	33,321.15
Add: Additions during the year	10,000.00	10,000.00
<b>Balance at the year end</b>	<b>53,321.15</b>	<b>43,321.15</b>
<b>(c) CSR EXPENDITURE RESERVE</b>		
Opening Balance	-	51.94
Add: Additions during the year	-	-
Less: Used during the year	-	(51.94)
<b>Balance at the year end</b>	<b>-</b>	<b>-</b>
<b>(d) STATUTORY RESERVE FUND</b>		
Opening Balance	5,789.46	5,146.46
Add: Additions during the year	611.00	643.00
<b>Balance at the year end</b>	<b>6,400.46</b>	<b>5,789.46</b>
<b>(e) RETAINED EARNINGS</b>		
Opening Balance	23,297.08	28,346.44
Profit for the year	22,646.45	6,097.14
Other Comprehensive Income for the year(net of tax)	(54.03)	(419.78)
Dividends	(502.39)	(83.73)
Transfer to Statutory Reserve Fund	(611.00)	(643.00)
Transfer to General Reserve	(10,000.00)	(10,000.00)
<b>Balance at the year end</b>	<b>34,776.11</b>	<b>23,297.08</b>
<b>(f) OTHER COMPREHENSIVE INCOME</b>		
Opening Balance	18,504.94	(1,193.83)
Other Comprehensive Income for the year(net of tax)	29,496.96	9,584.14
Adjustment due to Sale/Purchase of associate shares	-	10,114.63
	<b>48,001.90</b>	<b>18,504.94</b>
<b>Total Other Equity(a+b+c+d+e)</b>	<b>155,091.33</b>	<b>103,504.34</b>

**21.1 General reserve**

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

**21.2 Securities premium reserve**

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

**21.3 CSR reserve**

The Company may 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. All amounts had been paid during the previous year and no new Reserve has been created.

**21.4 Retained earnings**

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

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

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the year, the Company has created Statutory Reserve Fund amounting to Rs. 611.00 Lakhs.

**21.6 Other comprehensive income**

- (i) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- (ii) The Company has recognised remeasurements of defined benefits plans through other comprehensive income.





**22 Interest income**

Particulars	For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
	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
<b>A) Interest Income</b>				
Interest on loan assets	268.77	-	348.84	-
Interest on deposits with banks	26.38	-	44.09	-
Interest from alternate investments funds	-	210.79	-	98.77
Interest from bonds and debentures including tax free bond	254.97	-	200.15	-
Other interest income	-	-	0.02	-
	<b>550.12</b>	<b>210.79</b>	<b>593.09</b>	<b>98.77</b>
<b>B) AIF Income</b>				
AIF Income Tax Free (Held for Trading)	-	103.66	-	150.40
AIF Income Tax Free (Main Unit)	-	98.93	-	27.53
	-	<b>202.59</b>	-	<b>177.93</b>

Particulars	As at 31 March 2022	As at 31 March 2021
<b>23 Dividend income</b>		
Dividends from associate companies	-	-
Dividends from other investments	821.94	352.69
	<b>821.94</b>	<b>352.69</b>
<b>24 Rental Income</b>		
Rental Income	327.53	334.43
	<b>327.53</b>	<b>334.43</b>
<b>25 Net gain on fair value changes</b>		
Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	115.21	495.63
- Mutual Funds	-	-
- Others	602.40	66.93
(ii) On financial instruments designated at fair value through profit or loss	271.25	94.11
<b>Total Net gain on fair value changes</b>	<b>988.86</b>	<b>656.67</b>
<b>Total Net gain on fair value changes</b>		
Fair Value Changes:		
-Realised	700.17	218.56
-Unrealised	288.69	438.11
<b>Total Net gain on fair value changes</b>	<b>988.86</b>	<b>656.67</b>
<b>26 Other income</b>		
Net gain on fair value changes	1074.43	2304.94
Net gain on derecognition of financial instruments under amortised cost category	82.59	76.26
Other income		
-Miscellaneous income	57.65	43.86
<b>Total other income</b>	<b>1214.67</b>	<b>2425.06</b>
<b>27 Finance cost</b>		
Interest on borrowings	9.04	17.40
Other interest expense	0.03	-
	<b>9.07</b>	<b>17.40</b>
<b>28 Fees and commission expenses</b>		
Fees and other charges	27.22	-
	<b>27.22</b>	-



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>29 Employee benefits expenses</b>		
Salaries, wages and bonus	479.39	372.83
Contribution to provident fund and other funds	8.08	6.55
Staff welfare expense	-	-
	<b>487.47</b>	<b>379.38</b>

**30 Impairment on financial instruments**

Particulars	For the year Ended 31 Mar 2022		For the year Ended 31 March 2021	
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost
Impairment on loan assets	-	-	-	-
Investments(See Note)*	-	-	(189.84)	-
	-	-	-	-
	<b>0.00</b>		<b>0.00</b>	

**Note \*** - Current Year "NIL" (Previous year Diminution in value of some shares are written back because these shares sold off in previous year. This written back amount is adjusted in "Net Gain of Derecognition on Financial Instruments" in other income.)

**31 Depreciation and amortisation**

Depreciation on tangible assets and investment properties	102.40	83.30
	<b>102.40</b>	<b>83.30</b>

**32 Other expenses**

Power and fuel	0.28	0.24
Rental expense	3.65	3.50
R&M building	14.57	15.36
Rates and taxes	9.43	6.27
Insurance charges	4.64	4.01
Legal and professional charges	70.72	62.74
Travelling and conveyance	1.77	1.01
Vehicle running and maintenance	0.98	0.76
Payment to auditors	1.29	1.19
Communication expenses	1.17	0.77
Director sitting fees	4.13	3.89
Printing & Stationery	1.31	0.83
AGM Expenses	0.27	0.26
STT	9.34	6.04
Donation	85.00	0.08
Bank charges	0.13	0.10
CSR Expenses	46.15	41.45
Miscellaneous expenses	10.77	21.39
	<b>265.60</b>	<b>169.89</b>

**33 Tax expense**

A (I) Current tax	949.65	799.94
(ii) Deferred Tax charge/(Credit)Minimum alternate tax credit entitlement (See note)	6,956.37	1,472.91
(iii) Tax-earlier years	-	-
	<b>7,906.02</b>	<b>2,272.85</b>

**Note :** This amount represent Deferred Tax on Ind-AS adjustments only

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

<b>Accounting profit before income tax</b>	<b>30,552.47</b>	<b>8,369.99</b>
Statutory income tax rate	29.12%	29.12%
<b>Tax expense at statutory income tax rate (A)</b>	<b>8,896.88</b>	<b>2,437.34</b>



Particulars	As at March 31, 2022	As at March 31, 2021
<b>B Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
(i) Tax impact of income chargeable at different tax rate	(940.80)	(114.43)
(ii) Income exempted from tax	-	-
(iii) Tax impact of expenditure allowed on payment basis	-	-
(iv) Unrecognised tax assets	-	-
(v) Adjustments for current tax of prior periods	-	-
(vi) Minimum alternate tax (MAT) credit not created	-	-
(vii) Minimum alternate tax (MAT) impact on transition to Ind AS	-	-
(viii) Reversal of Deferred tax created on transition to Ind AS	(50.06)	(50.06)
(ix) Others	-	-
<b>Total (B)</b>	<b>(990.86)</b>	<b>(164.49)</b>
<b>Income tax expense at effective tax rate reported in the Statement of Profit &amp; Loss (A+B)</b>	<b>7,906.02</b>	<b>2,272.85</b>
<b>34 Earning per share</b>		
Net profit attributable to equity shareholders		
Net profit/(Loss) for the year	22,646.45	6,097.14
Par value per share	5.00	5.00
Weighted average number of Equity Shares Total		
number of equity shares outstanding as the beginning of the year	167.46	167.46
<b>Earnings per share - Basic and diluted</b>	<b>135.23</b>	<b>36.41</b>
<b>35 Corporate social responsibility expense</b>		
(a) In accordance with the provisions of Section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms of the provisions of the said Act, the Company required to spend a sum of Rs. 46.15 Lakhs (Previous year 41.45 Lakhs) towards CSR activities.		
(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	46.15	41.45
Yet to be paid	-	-
	<b>46.15</b>	<b>41.45</b>
(c) The Company for its CSR obligation joined hands with other group companies under one umbrella, to do undertake its CSR activities through Oswal Foundation. Oswal Foundation is a Registered Society formed in the year 2006 having its charitable objects in various fields. The foundation is going to undertake “ <b>Health Care Project of Linear Accelerator</b> ”, as approved by the consortium at approximate cost of Rs. Four crores, at Mohan Dai Oswal Cancer Hospital and Research Foundation, Ludhiana. Accordingly to fulfil its obligation under CSR, Board on the recommendation of CSR Committee decided to contribute an amount of Rs. 46.15 Lakhs to the Oswal Foundation for undertaking above mentioned Health care projects.		



**36 Employee benefit obligations**

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

**(A) Defined Benefit Plans - Post-Employment Benefits**

Gratuity	69.67	65.12
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**(B) Other long term employee benefits**

Leave encashment	N.A.	N.A.
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<b>TOTAL</b>	<b>69.67</b>	<b>65.12</b>
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**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, 2022	March 31, 2021
Current service cost (net)	2.60	2.01
Net Interest cost /(Income)	0.17	0.14
<b>Net impact on profit (before tax)</b>	<b>2.77</b>	<b>2.15</b>
Actuarial loss/(gain) recognised during the year		
<b>Amount recognised in total comprehensive income</b>	<b>2.77</b>	<b>2.15</b>

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

Description	March 31, 2022	March 31, 2021
Present value of defined benefit obligation as at the beginning of the year	65.12	59.40
Interest cost	3.20	3.33
Service cost	2.69	2.01
Benefits paid	(1.09)	-
Actuarial loss/(gain)	(0.25)	0.38
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>69.67</b>	<b>65.12</b>

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

Description	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the period	60.88	56.71
Actual return on plan assets	0.94	0.59
Employer Contribution	1.52	0.39
Interest Income on plan assets	3.12	3.19
Benefits paid	(1.09)	-
Actuarial gain	-	-
<b>Fair value of plan assets at the end of the period</b>	<b>65.37</b>	<b>60.88</b>

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

Description	March 31, 2022	March 31, 2021
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		
<b>Unfunded/funded net liability recognized in balance sheet</b>	<b>-</b>	<b>-</b>



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

Description	March 31, 2022	March 31, 2021
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(0.77)	0.93
Actuarial (gain)/loss from experience adjustment	0.52	(0.55)
<b>Total actuarial (gain)/loss</b>	<b>(0.25)</b>	<b>0.38</b>

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

Description	March 31, 2022	March 31, 2021
Discount rate	5.50%	5.10%
Rate of salary increase	0.00%	0.00%
Expected rate of return on plan assets	N.A.	N.A.
Retirement age	58 years	58 years
Average past service	12.34 years	11.41 years
Average age	47.95 years	47.15 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.
- 2) The estimates of future salary increases considered takes into account the inflation seniority promotion and other relevant factors.

**(vi) Sensitivity analysis for gratuity liability**

Description	March 31, 2022	March 31, 2021
<b>a) Impact of change in discount rate</b>		
Present value of obligation at the end of the year	5.50%	5.10%
- Impact due to increase of 0.50 %	-0.91%	-0.93%
- Impact due to decrease of 0.50 %	0.97%	0.99%
<b>b) Impact of change in salary/cost increase</b>		
Present value of obligation at the end of the year	7.00%	7.00%
- Impact due to increase of 0.50 %	0.66%	0.63%
- Impact due to decrease of 0.50 %	-0.64%	-0.60%
<b>c) Impact of change in withdrawal rate</b>		
Withdrawal rate as on 31 March, 2022	10.00%	10.00%
-Effect on DBO due to 5% increase in withdrawal rate	-0.34%	-0.39%
-Effect on DBO due to 5% decrease in withdrawal rate	0.53%	0.69%

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, 2022	March 31, 2021
Within next 12 months	34.50	30.72
Between 1-5 years	26.84	27.81
Beyond 5 years	13.15	21.71
	<b>74.49</b>	<b>80.24</b>



**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, 2022	March 31, 2021
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 31.03.2022	DBO as at 31.03.2021
Mr. Dinesh Oswal	01.04.2009	20.00	20.00
Mr. Hans Raj Kapoor	08.11.1984 (In Nahar Group)	20.00	18.68
Mrs. Anjali Modgil	23.07.2014	1.74	1.33

**37. 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 :

**37.1 List of related parties and disclosures**

Description of relationship	Names of related parties
<b>Associate Companies</b> <b>The Entities on which KMP and their relatives has significant influence with whom transactions have been undertaken</b>	Nahar Poly Films Limited, Nahar Spinning Mills Limited Oswal Woollen Mills Limited, Oswal Foundation, Nahar Industrial Enterprises Limited, Sankeshwar Holding Company Limited, Atam Vallabh Financiers Limited, Nahar Growth Fund Pvt. Ltd., Kovalam Investment and Trading Co. Ltd., Vanaik Investors Ltd., Ruchika Growth Fund P. Ltd., Abhilash Growth Fund P. Ltd., Monica Growth Fund P. Ltd., Vanaik Spinning Mills P. Ltd., Neha Credit and Investment P. Ltd., Bermuda Insurance Brokers P. Ltd., Nagdevi Trading and Investment Co. Ltd., OWM Poly Yarns Limited, J.L. Growth Fund P. Ltd., Vardhman Investment 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 Modgil	Company Secretary
<b>Name of Key Managerial Personnel/Director/Relatives</b>	
Mr. Jawahar Lal Oswal	Chairman
Mr. Kamal Oswal	Director
Mr. Satish Kumar Sharma	Director
Mr. Suresh Kumar Singla	Director
Mr. Dinesh Gogna	Director
Mr. Amrik Singh Sohi	Director
Mr. Roshan Lal Behl	Director
Mr. Vijay Asdhir	Director
Mrs. Manisha Gupta	Director
Mrs. Ritu Oswal	Advisor



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

Nature of Related Parties	Nature of transaction	Current Year	Previous Year
Mr. Dinesh Oswal	Remuneration	342.00	273.38
Mr. Dinesh Oswal	Commission	2.80	0.00
Promoters/Directors	Sitting Fee	0.94	0.82
Relatives of KMP	Remuneration	24.00	10.00
Nahar Spinning Mills Limited	Rent paid	2.97	2.83
	Reimbursement of Expenses	3.94	4.04
	Loan Paid	2325.00	1800.00
	Loan Repaid	6825.00	0.00
	Interest Received	238.73	348.84
	Other	0.00	0.00
	Reimbursement of Expenses	0.01	0.00
Nahar Poly Films Limited	Reimbursement of Expenses	0.01	0.00
Oswal Woollen Mills Limited	Rent Paid	0.80	0.80
Sankeshwar Holding Company Limited	Equity Investment Purchased	0.00	74.11
Nahar Industrial Enterprises Limited	Preference Shares Purchased	0.00	1000.00
OWM Poly Yarns Limited	Preference Shares Purchased	3000.00	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.

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.

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

Name of related party	Nature of Balance	As at 31st March, 2022	As at 31st March, 2021
Oswal Woollen Mills Limited	Other Payable	0.00	0.00
Nahar Spinning Mills Limited	Balance of Loan	0.00	4500.00
Mr. Dinesh Oswal	MD Remuneration Payable	18.73	15.98
Mrs. Ritu Oswal	Remuneration Payable	1.05	1.40

Note : The Schedule III of the Companies Act, 2013 has been amended in respect of the Certain regrouping/disclosures vide notification dated 24th March 2021 which are applicable w.e.f. 1st April 2021, the figures has been presented in the above financial results after considering the said amendments. The figures of the corresponding previous year have been regrouped whichever considered necessary to correspond to current year disclosures.

**38 Commitments**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Contingent Liabilities not provided for in respect of:</b>		
<b>i) Contracts remaining to be executed on capital account</b>		
- Uncalled liability on shares, Investment Property and other Investments partly Paid	2,233.13	1,233.02
<b>ii) Other commitments</b>		
- Demand of Income Tax Payable for A.Y. 2013-2014 & 2015-2016 Contested by Company	29.67	29.67
	<b>2,262.80</b>	<b>1,262.69</b>

**39 Assets pledged as security**

The carrying amounts of assets pledged as security are:

Particulars	31 March 2022	31 March 2021
Investments	2,765.76	3,214.86
<b>Total assets pledged as security</b>	<b>2,765.76</b>	<b>3,214.86</b>



**40 Reconciliation of liabilities arising from financing activities**

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

Particulars	Borrowings (other than debt securities) March 31, 2022	Borrowings (other than debt securities) March 31, 2021
<b>Opening</b>	<b>608.51</b>	<b>407.66</b>
Cash flows:		
- Repayment of borrowings	457.70	-
- Proceeds of borrowings	-	200.85
- Foreign exchange	-	-
Non cash:		
- Fair value	-	-
Impairment on financial instrument	-	-
- Others	-	-
<b>Closing</b>	<b>150.81</b>	<b>608.51</b>

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

	March 31, 2022		March 31, 2021	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	129.35	-	72.87	-
Bank balances other than above	29.25	537.38	378.74	361.39
Loans	3.01	-	2.88	4,482.00
Investments	5,616.00	159,623.90	6,087.77	95,292.34
Other financial assets	91.92	83.60	166.03	80.51
	<b>5,869.52</b>	<b>160,244.88</b>	<b>6,708.29</b>	<b>100,216.24</b>
<b>Non Financial assets</b>				
Inventories	1,500.13	-	2,832.56	-
Current tax assets (net)	-	207.66	-	217.71
Deferred tax assets (net)	-	-	-	-
Investment property	-	5,461.93	-	5,564.11
Capital Work in Progress	-	53.66	-	7.05
Property, plant and equipment	-	1.53	-	1.18
Other non financial assets	2.28	-	2.54	-
	<b>1,502.41</b>	<b>5,724.78</b>	<b>2,835.10</b>	<b>5,790.05</b>
<b>TOTAL</b>	<b>7,371.94</b>	<b>165,969.66</b>	<b>9,543.39</b>	<b>106,006.29</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Payables				
Trade Payables				
(i) total outstanding dues of MSMEs	-	-	-	-
(ii) total outstanding dues of creditors				
other than MSMEs	21.96	-	7.43	-
Debt securities	-	-	-	-
Borrowings (other than debt securities)	-	150.80	-	608.51
Other financial liabilities	63.44	419.49	68.80	770.37
	<b>85.40</b>	<b>570.29</b>	<b>76.23</b>	<b>1,378.88</b>





**Non Financial Liabilities**

Provisions	5.14	-	4.68	-
Deferred tax liabilities (net)	16,697.46	-	9,685.88	-
Other non financial liabilities	19.75	34.92	19.43	42.93
	<b>16,722.35</b>	<b>34.92</b>	<b>9,709.98</b>	<b>42.93</b>
<b>TOTAL</b>	<b>16,807.75</b>	<b>605.21</b>	<b>9,786.21</b>	<b>1,421.81</b>
<b>NET</b>	<b>(9,435.82)</b>	<b>165,364.44</b>	<b>(242.82)</b>	<b>104,584.48</b>

**42. Financial instruments**

**A Financial assets and liabilities**

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

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Financial assets measured at fair value</b>			
Investments* measured at			
(i) Fair value through other comprehensive income	Note - 6	28469.38	20,949.83
(ii) Fair value through profit and loss	Note - 6	21389.85	18,033.26
<b>Financial assets measured at amortised cost</b>			
Investments*	Note - 6	11581.23	7,706.05
Cash and cash equivalents	Note - 3	129.35	72.87
Bank balances other than above	Note - 4	566.63	740.13
Loans	Note - 5	3.01	2.88
Other financial assets	Note - 7	175.52	246.54
<b>Total</b>		<b>62314.97</b>	<b>47,751.56</b>

<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 13	21.96	7.43
Borrowings (other than debt securities but including interest accrued)	Note - 14	150.80	608.51
Other financial liabilities	Note - 15	482.93	839.17
<b>Total</b>		<b>655.69</b>	<b>1,455.11</b>

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

**B Fair values hierarchy**

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

**The categories used are as follows:**

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

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

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

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

As at 31 March 2022	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity investments	18,110.86	-	-	18,110.86
Unquoted equity investments	-	-	10,358.53	10,358.53
<b>Investments at fair value through profit and loss</b>				
Mutual funds	13,390.46	-	-	13,390.46
Venture capital funds and alternative investment funds	-	-	5,341.83	5,341.83



As at 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity investments	11,557.35	-	-	11,557.35
Unquoted equity investments	-	-	9,392.47	9,392.47
<b>Investments at fair value through profit and loss</b>				
Mutual funds	12,318.57	-	-	12,318.57
Venture capital funds and alternative investment funds	-	-	3,693.24	3,693.24

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

- Investment in Quoted Equity Investments - Level 1 - Investment in listed equity instruments are measured at their readily available quoted price in the market.
- Investment in Unquoted Equity Investments - Level 3 - the Company has used earning capitalisation method (fair value approach) discounted at a rate to reflect the risk involved in the business.
- Investment in Mutual funds - Level 1 - Investment in mutual funds are measured at their readily available net asset value (NAV) (per unit) in the market.
- Investment in Venture Capital Funds and Alternative Investment Funds Level 3 - Investment in venture capital funds and alternative investment funds are measured at their fair value as per the Net Asset Value (NAV) Certificate shared by the fund/investee party.

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

Particulars	"As at 1 April 2020"	Purchases	Sales	Issuance	Net interest income/(loss) and other income/(loss)	Other comprehensive income	As at 31 March 2021
Investment in Venture Funds	2,306.69	990.79	(354.06)	-	749.81	-	3,693.24
Investment in Equity instruments	9,272.01	193.36	-	-	-	(72.90)	9,392.47
<b>Total investments</b>	<b>11,578.70</b>	<b>1,184.15</b>	<b>(354.06)</b>	<b>-</b>	<b>749.81</b>	<b>(72.90)</b>	<b>13,085.71</b>

Particulars	"As at 1 April 2021"	Purchases	Sales	Issuance	Net interest income/(loss) and other income/(loss)	Other comprehensive income	As at 31 March 2022
Investment in Venture Funds	3,693.24	1,757.00	(594.61)	-	486.20	-	5,341.83
Investment in Equity instruments	9,392.47	1.23	-	-	-	964.83	10,358.53
<b>Total investments</b>	<b>13,085.71</b>	<b>1,758.23</b>	<b>(594.61)</b>	<b>-</b>	<b>486.20</b>	<b>964.83</b>	<b>15,700.36</b>

**Sensitivity analysis**

Description	As at March 31, 2022	As at March 31, 2021
<b>Impact on fair value if change in earnings growth rate</b>		
- Impact due to increase of 5%	(785.02)	(654.29)
- Impact due to decrease of 5%	785.02	654.29

**The following table presents the changes in level 3 items for the periods ended March 31, 2022 and March 31, 2021:**

Particulars	
<b>As at March 31, 2020</b>	<b>(3,951.52)</b>
Gain/(loss) recognised in other comprehensive income	5,113.11
<b>As at March 31, 2021</b>	<b>1161.59</b>
Gain/(loss) recognised in other comprehensive income	6,837.47
<b>As at March 31, 2022</b>	<b>7,999.06</b>

**B.2 Fair value of instruments measured at amortised cost**

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



Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	129.35	129.35	72.87	72.87
Bank balances other than above	566.63	566.63	740.13	740.13
Loans	3.01	<b>3.01</b>	4,484.88	<b>4,484.88</b>
Investments	11,581.23	<b>12,061.38</b>	7,706.05	<b>8,066.02</b>
Other financial assets	175.52	<b>175.52</b>	246.54	<b>246.54</b>
<b>Total</b>	<b>12,455.74</b>	<b>12,239.91</b>	<b>13,250.47</b>	<b>12,797.44</b>
<b>Financial liabilities</b>				
Trade payables	21.96	21.96	7.43	7.43
Borrowings	150.80	150.80	608.51	608.51
Other financial liabilities	482.93	482.93	839.17	839.17
<b>Total</b>	<b>655.69</b>	<b>655.69</b>	<b>1,455.11</b>	<b>1,455.11</b>

**Valuation methodologies of financial instruments not measured at fair value**

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

**Financial assets and liabilities**

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

**Investments measured at amortised cost**

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

**44. Financial risk management**

**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, 2022	As at March 31, 2021
<b>(i) Low credit risk - Stage 1</b>		
Cash and cash equivalents	129.35	72.87
Bank balances other than above	566.63	740.13
Loans	3.01	4,484.88
Investments	11,581.23	7,706.05
Security deposits	83.60	80.51
Other financial assets	175.52	246.54
<b>(ii) Moderate credit risk - Stage 2</b>		
Loans	-	-
<b>(iii) High credit risk - Stage 3</b>		
Loans	-	-

\* 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.

**B. Credit risk exposure**

**(i) Expected credit losses for financial assets other than loans**

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

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- <sup>1</sup>- For investments - Considering the investments are in equity shares, mutual funds, and government securities, credit risk is considered low.
- <sup>1</sup>- 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, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying Amount net of impairment provision
Cash and cash equivalents	129.35	-	129.35
Bank balances other than above	566.63	-	566.63
Investments	11,581.23	-	11,581.23
Security deposits	83.60	-	83.60
Other financial assets	175.52	-	175.52

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying Amount net of impairment provision
Cash and cash equivalents	72.87	-	72.87
Bank balances other than above	740.13	-	740.13
Investments	7,706.05	-	7,706.05
Security deposits	80.51	-	80.51
Other financial assets	246.54	-	246.54

**ii) Expected credit loss for loans**

<sup>1</sup>The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

<sup>1</sup>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.

<sup>1</sup>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.

<sup>1</sup>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.

<sup>1</sup>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.

<sup>1</sup>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 2022	As at 31 March 2021
Gross loans in respect of borrower's where no specific default has occurred	-	4,500.00
Expected loss rate	-	-
Loans due from borrowers where specific default has occurred	-	-
Expected credit loss (loss allowance provision)	-	-
Reconciliation of loss allowance provision from beginning to end of reporting period	-	-
Reconciliation of loss allowance	-	-
<b>'Gross carrying amount as at March 31, 2022</b>	<b>-</b>	<b>4,500.00</b>

**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 2022	As at 31 March 2021
- Expiring within one year	2,170.76	1,962.06
- Expiring beyond one year	-	-
<b>Total</b>	<b>2,170.76</b>	<b>1,962.06</b>

**(ii) Maturities of financial liabilities**

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

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

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings other than debt securities including interest	150.80	-	-	-	150.80
Trade payables	21.96	-	-	-	21.96
Other financial liabilities	130.35	323.34	29.25	-	482.94
<b>Total</b>	<b>303.11</b>	<b>323.34</b>	<b>29.25</b>	<b>-</b>	<b>655.70</b>

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings other than debt securities including interest	608.51	-	-	-	608.51
Trade payables	7.43	-	-	-	7.43
Other financial liabilities	105.95	704.48	28.74	-	839.17
<b>Total</b>	<b>721.89</b>	<b>704.48</b>	<b>28.74</b>	<b>-</b>	<b>1455.11</b>



**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, 2022	As at March 31, 2021
<b>Mutual Funds, Equity Instruments and Venture Funds</b>		
Net assets value – increase by 50 basis points (50 bps)	1,069.49	901.66
Net assets value – decrease by 50 basis points (50 bps)	(1,069.49)	(901.66)

**Impact on other comprehensive income**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Equity instruments</b>		
Value per share – increase by 50 basis points (50 bps)	1,423.47	1,047.49
Value per share – decrease by 50 basis points (50 bps)	(1,423.47)	(1,047.49)

**45. Capital management**

The Company's capital management objectives are

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

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt*	21.46	535.63
Net worth	80,387.44	71,063.64
<b>Net debt to equity ratio</b>	<b>0.00</b>	<b>0.01</b>

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

**Dividends**

Particulars	As at March 31, 2022	As at March 31, 2021
The Board of directors at their meeting held on 25 May 2022 has proposed a final dividend of ₹ 1.50 per share for financial year 31 March 2022 (previous year: ₹ 1.50 per share) subject to approval of shareholders in annual general meeting.		
<b>Equity shares</b>		
Proposed - *Final dividend for the year ended March 31, 2022 of ₹ 1.50 per share	251.19	251.19
Paid - *Interim dividend for the financial year 2021-22 of ₹ 1.50 per share	251.19	-

**46. 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	3988.97	4304.21	327.53	334.43	4316.50	4638.64
Results						
Segment Result (Before Tax & Interest)	3624.52	4091.93	204.37	232.87	3828.89	4324.80
Less :A. Interest Paid	9.07	17.40	0.00	0.00	9.07	17.40
B. Other Unallocable Expenses	395.08	318.73	0.00	0.00	395.08	318.73
	<b>404.15</b>	<b>336.13</b>	<b>0.00</b>	<b>0.00</b>	<b>404.15</b>	<b>336.13</b>
Profit Before Tax					3424.74	3988.67
Less : Income Tax					7906.02	2,272.85
Profit After Tax					-4481.28	1715.82
Profit from Associates					27127.73	4381.32
					<b>22646.45</b>	<b>6097.14</b>
<b>Capital Employed</b>						
Assets	165497.23	106136.35	7636.71	9195.62	173133.94	115331.97
Unallocable Assets	207.66	217.71	0.00	0.00	207.66	217.71
<b>Total Assets</b>	<b>165704.89</b>	<b>106354.06</b>	<b>7636.71</b>	<b>9195.62</b>	<b>173341.60</b>	<b>115549.68</b>
Segment Liabilities	165.30	197.77	399.40	715.87	564.70	913.64
Unallocable Liabilities	0.00	0.00	16848.26	10294.38	16848.26	10294.38
<b>Total Liabilities</b>	<b>165.30</b>	<b>197.77</b>	<b>17247.66</b>	<b>11010.25</b>	<b>17412.96</b>	<b>11208.02</b>
Capital Expenditure	0.00	0.00	0.00	1543.81	0.00	1543.81
Depreciation					102.40	83.30

- 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.




**47. Interests in Associate**

Set out below is the details of Associates of the group as at 31 March 2022. 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 31.03.2021	% Equity Interest 31.03.2020	For the Year ended March 31, 2021 Relationship	For the Year ended March 31, 2020 Accounting Method
Nahar Spinning Mills Limited	Manufacturing	45.3527%	44.9600%	Associate	Equity Method
Nahar Poly Films Limited	Manufacturing	49.1600%	49.1600%	Associate	Equity Method

<b>Nahar Spinning Mills Limited</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Summarised Balance Sheet</b>		
Current assets		
Cash and cash equivalents	301.09	106.09
Other assets	176507.97	135442.80
<b>Total current assets</b>	<b>176809.06</b>	<b>135548.90</b>
<b>Total non-current assets</b>	<b>118284.43</b>	<b>84658.09</b>
<b>Current liabilities</b>		
Financial liabilities	93233.60	72042.30
Other liabilities	15795.97	15186.92
Total current liabilities	109029.57	87229.22
Non-current liabilities		
Financial liabilities	15767.75	19111.71
Other liabilities	5308.75	2295.62
Total non-current liabilities	21076.50	21407.33
Net assets	160056.41	89790.88

<b>Nahar Spinning Mills Limited</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Summarised statement of profit and loss</b>		
Revenue	360837.34	211883.23
Profit/(loss) for the year	71,255.39	7,933.67
<b>Total comprehensive profit/(loss)</b>	<b>71,255.39</b>	<b>7,933.67</b>
<b>Reconciliation to carrying amounts</b>		
Opening net assets	89790.88	81913.59
Profit/Loss for the year	71255.39	7,933.67
Less: Dividend distributed	(1,081.95)	-
Less: Dividend distribution tax	-	-
Less: Corporate social responsibility expense paid	-	-
Less: Adjustment of Income Tax earlier Years	92.10	(56.38)
Closing net assets	160056.41	89790.88
Group's share in %	45.3527%	45.3527%
Group's share in Indian Rupees	72588.64	40721.34

<b>Nahar Poly Films Limited</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Summarised Balance Sheet</b>		
Current assets		
Cash and cash equivalents	61.53	94.28
Other assets	14810.94	8327.93
Total current assets	14872.47	8422.21
<b>Total non-current assets</b>	<b>73161.35</b>	<b>32494.61</b>
<b>Current liabilities</b>		
Financial liabilities	7072.22	8503.58



Other liabilities	17743.62	4280.49
<b>Total current liabilities</b>	<b>24815.84</b>	<b>12784.07</b>
Non-current liabilities		
Financial liabilities	-	-
Other liabilities	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>
Net assets	63217.98	28132.75

<b>Nahar Poly Films Limited</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Summarised statement of profit and loss</b>		
Revenue	49533.35	30861.28
Profit/(loss) for the year	35,454.05	10,740.00
<b>Total comprehensive profit/(loss)</b>	<b>35,454.05</b>	<b>10,740.00</b>
<b>Reconciliation to carrying amounts</b>		
Opening net assets	28132.75	17638.63
Profit/Loss for the year	35,454.05	10,740.00
Less: Dividend distributed	(368.82)	(245.88)
Less: Dividend distribution tax	-	-
Less: Corporate social responsibility expense paid	-	-
Less: Adjustment of Income Tax earlier Years	-	-
<b>Closing net assets</b>	<b>63217.98</b>	<b>28132.75</b>
Group's share in %	49.16%	49.16%
Group's share in Indian Rupees	31077.96	13830.06

48. Results of Current Year ended 31.03.2022 are not comparable with the corresponding year ended 31.03.2021 as the results of the previous year was impacted on account of Covid-19 pandemic. The Company has made assessment of its liquidity position for the current year and the recoverability and carrying value of its assets. The Company has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial results. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor and material changes arising out of the future economic conditions and its impact on the business of the company.
49. The previous year figures regrouped/reclassified to confirm the current year classification.

For YAPL & Company  
Chartered Accountants  
FRN 017800N

**Sakshi Garg**  
(Partner)  
M.No.553997  
Place : Ludhiana  
Date : 25th May 2022  
UDIN: 22553997AJPETZ8615

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

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

**Dinesh Oswal**  
Managing Director  
DIN : 00607290



**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.	<b>Not Applicable as the Company is not having any Subsidiary Company</b>
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	31.03.2022	31.03.2022
2	<b>Shares of Associate/Joint Ventures held by the Company on the Year End</b>		
	No. of Shares	16356574	12087671
	Amount of Investment in Associates/Joint Venture (Rs. In Lakhs)	9245.46	2886.85
	Extend of Holding %	45.3527%	49.1600%
3	Description of how there is significant influence	More than 20% Shares held by the Company	
4	Reason why the associate/joint venture is not consolidated	N.A.	N.A.
5	Networth attributable to Total Shareholding as per latest audited Balance Sheet (Rs. In Lakhs)	72589.90	31077.96
6	Profit/Loss for the year (After)		
	i. Considered in Consolidation (Rs. In Lakhs)	32316.24	17429.21
	ii. Not Considered in Consolidation (Rs. In Lakhs)	38939.15	18024.84

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  
Place : Ludhiana  
Date : 25th May 2022  
UDIN: 22553997AJPETZ8615

**Anjali Modgil**  
Company Secretary

**Hans Raj Kapoor**  
Chief Financial Officer

**S.K. Sharma**  
Director  
DIN : 00402712

**Dinesh Oswal**  
Managing Director  
DIN : 00607290



**Save Tree**

**Save Earth**

### *Green Initiative*

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

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

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



*Glimpse of CSR Project  
undertaken by  
Oswal Foundation*

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