

DIRECTORS` REPORT

Dear Members,

The Board of Directors of Nawratan Arts Limited are pleased to present the Thirty Ninth (39th) Annual Report for the Financial Year ended 31st March, 2020, together with the Auditors' Report and Audited Accounts for the Financial Year 2019- 2020.

FINANCIAL RESULTS:

The summarized performance of the Company for the Financial Years 2019 - 2020 and 2018 - 2019 are as under:

| Particulars | Amount (Rs.) | |
|---|--------------------------|-----------------------|
| | Year ended 31.03.2020 | Year ended 31.03.2019 |
| Total Revenue | 256,919 | 854,554 |
| Profit /Loss before Finance Cost, Depreciation and Taxation | (666,016) | (828,528) |
| Less: Finance Cost | - | - |
| Less: Depreciation | - | - |
| Less: Provision for Taxation | - | - |
| Profit/(Loss) for the Year | (666,016) | (828,528) |
| Add: Balance B/F from Previous Year | (1,540,045) | (711,517) |
| Balance Profit /(Loss) C/F to the next year | (2,206,061) | (1,540,045) |

FINANCIAL PERFORMANCE:

During the year under review, the Company recorded Loss before Taxation of Rs. 666,016/- as against loss of Rs. 828,528/- in the Previous Year. The position of Company is further expected to improve for the Financial Year 2019-20.

DIVIDEND & RESERVES:

The Board of Directors of your Company has decided not to declare any Dividend during the Financial Year. During the year, no amount was transferred to Reserve.

CHANGES IN SHARE CAPITAL:

There has been no change in the equity share capital of the Company during the Financial Year under review.

PUBLIC DEPOSITS:

During the year under review, your Company did not accept any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

Your Company do not have any Subsidiary Company, Joint Venture or Associate Companies as on the date of the Balance Sheet.

LISTING:

The equity shares of the Company are presently listed on both The Calcutta Stock Exchange Ltd. and Metropolitan Stock Exchange of India Limited and the listing fees to both the Stock Exchanges for the Financial Year 2019- 2020 have been paid.

STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

The Company is solely concentrating in textile business and there has been no change in the business of the Company during the financial year ended 31st March, 2020.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis report for the year under review, as stipulated under SEBI (LODR) Regulations, 2015 is set out in the annexure A forming part of the annual report

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

DIRECTORS

Ms. Tina Khaitan (DIN: 07092761) retires by rotation at the ensuing Annual General Meeting and being eligible offers herself, for re-appointment in compliance with the provisions of the Companies Act, 2013. Mr. Ashish Goenka was appointed as Director of the Company w.e.f 29th July, 2019.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Since your Company does not fall under the threshold laid down in section 135 of the Companies Act, 2013, the provision of section 134(3)(o) of the Companies Act, 2013 is not applicable and no disclosure is required by the Board.

KEY MANAGERIAL PERSONNEL:

The following persons are the Key Managerial Personnel (KMP) of the Company in compliance with the provisions of the Companies Act, 2013:

- A) Jaiprakash Gupta, (DIN 07207528), Whole Time Director
- B) Hemant Agarwal, Company Secretary
- C) Goutam Dey, Chief Financial Officer

Mr. Goutam Dey was appointed as Chief Financial Officer of the Company w.e.f 6th April, 2019 during the year under review. Ms. Titir Nag who was appointed as Company Secretary of the Company w.e.f 7th May 2019, resigned w.e.f 31st October, 2019 from the Company. Mr. Hemant Agarwal was appointed Company Secretary of the Company w.e.f 17th December, 2019.

PARTICULARS OF EMPLOYEES:

Statement of personnel particulars of employee's pursuant to Section 197(12) of the Companies Act, 2013 are not applicable since none of the employees are in receipt of remuneration in excess of the limits specified herein (Rs. 8,50,000/- per month or Rs. 1,02,00,000/- per annum) during the Financial Year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 of the Companies Act, 2013 the Board of Directors here by state and confirm that:-

- ❖ In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- ❖ The Directors had selected such accounting policies and applied consistently and have 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 as at 31.03.2020 and of the profit of the Company for the year ended 31.03.2020;
- ❖ The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- ❖ The Directors had prepared the annual accounts on a going concern basis;
- ❖ The Directors, had laid down Internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- ❖ The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS OF BOARD MEETINGS:

During the Financial Year under review, twelve meetings of Board of Directors was held i.e. on 06.04.2019, 24.04.2019, 07.05.2019, 28.05.2019, 29.07.2019, 12.08.2019, 02.09.2019, 28.09.2019, 31.10.2019, 14.11.2019, 17.12.2019, 13.02.2020 and its details are as follows:

| Name of Directors | No. of Board Meeting(s) attended |
|-------------------|----------------------------------|
| KAMAL KHAITAN | 12/12 |
| TINA KHAITAN | 12/12 |
| JAIPRAKASH GUPTA | 12/12 |
| ASHISH GOENKA | 08/08 |

The Company has duly complied with the provisions related to Notice, Minutes and Meetings as prescribed under the Companies Act, 2013 and Rules made there under, if any.

COMMITTEES OF BOARD:

• **AUDIT COMMITTEE:**

In compliance with the provisions of section 177 of the Companies Act, 2013 and relevant rules made thereunder, the Company has constituted the Audit Committee and the details of composition of the Audit Committee of the Board of Directors are as under:

| Name of Directors | Chairman/ Members | No. of Meeting(s) attended |
|-------------------|-------------------|----------------------------|
| Kamal Khaitan | Chairman | 4/4 |
| Tina Khaitan | Members | 4/4 |
| Ashish Goenka | Members | 3/3 |

• **NOMINATION AND REMUNERATION COMMITTEE:**

In compliance with the provisions of section 178 of the Companies Act, 2013 and relevant rules made thereunder, the Company has constituted the Nomination and Remuneration Committee and the details of composition of the Nomination and Remuneration Committee of the Board of Directors are as under:

| Name of Directors | Chairman/ Members | No. of Meeting(s) attended |
|-------------------|-------------------|----------------------------|
| Kamal Khaitan | Chairman | 1/1 |
| Tina Khaitan | Members | 1/1 |
| Ashish Goenka | Members | 1/1 |

DECLARATION BY INDEPENDENT DIRECTOR:

Mrs. Tina Khaitan and Mr. Kamal Khaitan and Mr. Ashish Goenka are Independent Director on the Board of the Company. The Non-Executive Independent Director fulfil the conditions of Independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with the requirement of the SEBI (LODR) Regulations, 2015 entered into with the Stock Exchanges. A formal letter of appointment to

Independent Director as provided in Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 has been issued and disclosed on the website of the Company viz. www.nawratan.com. Further, the Independent Woman Director and the Independent Director of the Company, Mrs. Tina Khaitan, Mr. Kamal Khaitan and Mr. Ashish Goenka respectively, in the meeting held on 13.02.2020 has reviewed performance evaluation of Non-Independent Directors of the Company and other agendas in line with the requirement of the Listing Agreement read with applicable provisions of Schedule IV of the Companies Act, 2013 were transacted thereat.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS:

M/s. Bijan Ghosh & Associates, Chartered Accountants, were appointed as Statutory Auditor of the Company, to hold office for a period of 5 years, from the conclusion of 38th Annual general Meeting till the conclusion of the 43rd Annual General Meeting of the Company. The Company has received letter from the Auditors to the effect that their appointment, is within the prescribed limits under the Companies Act, 2013 and that they are not disqualified.

EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is enclosed as Annexure B.

SECRETARIAL AUDIT:

In terms of Section 204 of the Act and Rules made there under, Ms. Manisha Lath, Practicing Company Secretary had been appointed as a Secretarial Auditor of the Company. The Secretarial Audit Report, enclosed as Annexure C is self-explanatory and does not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Your Company has given loan, guarantee and made investment in accordance with the Section 186 of the Companies Act, 2013.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM SYSTEM:

The Company as per the section 177 of the Companies Act, 2013 and applicable provisions of the Listing Regulations formulated the Vigil (Whistle Blower) Mechanism which aims to provide a channel to the Directors and employees to report to the management instances of unethical behaviour, actual or unsuspected fraud or violation of the Company's code of conduct. The policy provides adequate safeguard against victimization of employees and Directors who avail of Whistle Blower/Vigil Mechanism and also provide for direct access to the Chairman of the Audit Committee etc.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year ended 31st March, 2020 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the Financial Year under review 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.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Committee. The Board of Directors expressed their satisfaction with the evaluation process.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee of the Board has formulated the Nomination and Remuneration Policy, which broadly laid down the various principles for selection, appointment and payment of remuneration. The said policy provides the procedure for selection and appointment of Board Members,

Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company along with detailed framework for remuneration to be paid to the members of the Board of Directors, Key Managerial Personnel (KMPs) and the Senior Management Personnel (SMP) of the Company.

The Nomination and Remuneration Committee identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decide on the selection of the appropriate member. The Committee along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The Board members should be qualified, independent and have positive attributes. Brief aforesaid Policy has been produced as hereunder:

- (i) The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level.
- (ii) The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder's interests, industry standards and relevant Indian corporate regulations.
- (iii) The remuneration policy will ensure that the interests of the Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- (iv) Remuneration package largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc.

INTERNAL FINANCIAL CONTROL:

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. Efforts are made by the management to maintain a sound financial and commercial practice capable of improving the efficiency of the operations and sustainability of the business. The system ensures that all the assets are safeguarded and protected against loss from unauthorized use or disposition and those are authorized, recorded and reported correctly. All operating parameters are monitored and controlled. The Audit Committee of the Board of Directors also reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

RISK MANAGEMENT POLICY:

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk

Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

As required under Section 134(3)(m) of the Companies Act, 2013 read with the and Rule 8(3) of Companies (Accounts) Rules, 2014 the Company has no activity involving conservation of energy or technology absorption, foreign exchange earnings and outgo.

BUSINESS RESPONSIBILITY REPORTING:

The Business Responsibility Reporting as required by Regulation 34 of the SEBI Listing Regulation is not applicable to your Company for the financial year ended 31st March, 2020.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, Officers and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors, Officers and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the contribution of employees at all levels. Your Directors also take this opportunity to thank the Company's Bankers, Shareholders and all others concerned for their valuable support and co-operation extended to the Company.

Date: 30.06.2020

Place: Kolkata

For and on behalf of the Board

S/d

**Jaiprakash Gupta
Wholetime Director
DIN: 07207528**

For and on behalf of the Board

S/d

**Tina Khaitan
Director
DIN: 07092761**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Annexure – ‘A’

(Forming part of Directors’ Report for the financial year ended 31st March, 2020)

Industry Structure and Development: India’s textile sector is one of the oldest industries in the Indian economy and has an overwhelming presence in the economic life of the country. It plays a vital role in employment generation, export earnings and in industrial output. India is among the few textile manufacturing countries in the world which is fully integrated from fiber to finished products.

Opportunities and Threats:

The future for the Indian textile industry looks promising, buoyed by strong domestic consumption. The long awaited National Textile policy to be announced shortly will further accelerate growth in this sector.

However, there are several challenges ahead for the Textile industry for enhancing its competitive strength and global positioning in terms of inflexible labour laws, poor infrastructure, and competition from low cost neighboring countries which will have to be addressed to sustain the growth momentum of the industry.

Non availability of skilled labours and increase in input costs like raw material and power poses a threat to textile industry in India.

Outlook : During the current year, it is expected that there will be a good demand of finished products of textiles in the domestic as well as export markets and the industry will be able to absorb the impact of rising input costs like power, labour, interest etc. The division is taking all efforts to improve the quality and productivity to remain competitive. In view of the above the outlook for the division seems to be stable.

Risks and Concerns: The continual increase in input costs such as raw material, power, labor, interest costs, shortage of skilled workers and uncertainty of global markets are main concerns of the textile industry.

Internal Control Systems and their Adequacy:

The company has laid down guidelines, procedures and policies for better management control which are periodically tested and supplemented by an extensive internal audit program. Significant findings are placed before the Audit Committee and the corrective measures are recommended for implementation. In the opinion of the management, the existing internal checks and controls are effective and adequate.

Information regarding Human Resources/ Industrial Relations: The relationships at both the Divisions were cordial with the employees throughout the year.

Cautionary Statement: The forward looking statements and the views expressed in the Management Discussion and Analysis Report are based on certain assumptions. The actual results, performances or achievements may differ materially from those stated therein. The Company would not be held liable, in any manner, if the future turns out to be quite different, even materially.

Date:30.06.2020

Place: Kolkata

For and on behalf of the Board

S/d

Jaiprakash Gupta

Wholetime Director

DIN: 07207528

For and on behalf of the Board

S/d

Tina Khaitan

Director

DIN: 07092761

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Nawratan Arts Limited.
119/B, Muktaram Babu Street,
2nd Floor
Kolkata - 700007

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nawratan Arts Limited having (CIN: L51109WB1981PLC033431) and having registered office at 119/B, Muktaram Babu Street, Kolkata - 700007 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sl.No. | Name of Director | DIN | Date of appointment |
|--------|------------------|----------|---------------------|
| 1 | Tina Khaitan | 07092761 | 12.02.2015 |
| 2 | Kamal Khaitan | 02758017 | 30.09.2016 |
| 3 | Ashish Goenka | 06985775 | 29.07.2019 |
| 4 | Gajendra Pandey | 03533928 | 30.06.2020 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 30.06.2020

Place: Kolkata

S/d
Manisha Lath
Practicing Company Secretary
Membership No. 15614 C.P. No. 16768
UDIN: A015614B000402660

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2020

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company

(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS :

| | | |
|------|--|---|
| i. | CIN | L51109WB1981PLC033431 |
| ii. | Registration Date | 12-03-81 |
| iii. | Name of the Company | NAWRATAN ARTS LIMITED |
| iv. | Category/ Sub-category of the Company | Company limited by shares |
| v. | Address of the Registered Office & Contact details | 119/B, Mukhtaram Babu Street, Kolkata - 700007 |
| vi. | Whether listed company | Yes |
| vii. | Name, Address & Contact details of the Registrar & Transfer Agent, if any. | M/s.Maheshwari Datamatics Private Limited, 23,R.N.Mukherjee Road, 5th Floor, Kolkata-700001 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

| SL No. | Name & Description of main Products/ Services | NIC Code of the Product/ Service | % to total turnover of the Company. |
|--------|---|----------------------------------|-------------------------------------|
| 1 | Retail sale of textiles | 52321 | 100.00% |

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES : NA

| SL No. | Name & Address of the Company | CIN/ GIN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|--------|-------------------------------|----------|--------------------------------|------------------|--------------------|
| | | | | | |

iv) Shareholding of Promoters-

| SlNo | Shareholder's Name | Shareholding at the beginning of the year [As on 01/04/2019] | | | Shareholding at the end of the year [As on 31/03/2020] | | | % change in share holding during the Year | PAN |
|------|---------------------|--|----------------------------------|--|--|----------------------------------|--|---|------------|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | | |
| 1 | LHP PRIVATE LIMITED | 0 | 0.0000 | 0.0000 | 0 | 0.0000 | 0.0000 | 0.0000 | AAACL9250G |
| 2 | SHAMBHAVI GOENKA | 0 | 0.0000 | 0.0000 | 0 | 0.0000 | 0.0000 | 0.0000 | AKQPG8111J |
| 3 | VEDANTA GOENKA | 0 | 0.0000 | 0.0000 | 0 | 0.0000 | 0.0000 | 0.0000 | AKQPG8112M |
| 4 | PRADEEP GOENKA | 15000 | 1.3636 | 0.0000 | 15000 | 1.3636 | 0.0000 | 0.0000 | AAFHP2259D |
| 5 | MINAKKSHI GOENKA | 0 | 0.0000 | 0.0000 | 0 | 0.0000 | 0.0000 | 0.0000 | ACZPG6885A |
| 6 | PRADEEP GOENKA | 0 | 0.0000 | 0.0000 | 0 | 0.0000 | 0.0000 | 0.0000 | AEBPG8302C |
| | TOTAL | 15000 | 1.3636 | 0 | 15000 | 1.3636 | 0.0000 | 0.0000 | |

Nawratan Arts Limited | 2020

(CIN L51109WB1981PLC033431) Annual Report

| vi) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) | | | | | | | | | |
|--|--|---------------|----------------|-------------------|--|---------------|----------------|-------------------|--------------------------|
| i) Category-wise Share Holding | | | | | | | | | |
| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01/04/2019] | | | | No. of Shares held at the end of the year [As on 31/03/2020] | | | | % change during the Year |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 15000 | 0 | 15000 | 1.3636 | 15000 | 0 | 15000 | 1.3636 | 0.0000 |
| b) Central Govt | | | | | | | | | |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corp. | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e) Banks/Fi | | | | | | | | | |
| f) Any other | | | | | | | | | |
| Sub-total (A)(1) | 15000 | 0 | 15000 | 1.3636 | 15000 | 0 | 15000 | 1.3636 | 0.0000 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | | | | | | | | | |
| b) Other - Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks/FI | | | | | | | | | |
| e) Any other | | | | | | | | | |
| Sub-total (A)(2) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| Total shareholding of Promoter (A)=(A)(1)+(A)(2) | 15000 | 0 | 15000 | 1.3636 | 15000 | 0 | 15000 | 1.3636 | 0.0000 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks/FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| Alternate Investment Funds | | | | | | | | | |
| Foreign Portfolio Investors | | | | | | | | | |
| Provident Funds / Pension Funds | | | | | | | | | |
| Qualified Foreign Investor | | | | | | | | | |
| Sub-total(B)(1):- | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 207000 | 21200 | 228200 | 20.7455 | 207000 | 21200 | 228200 | 20.7455 | 0.0000 |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 150950 | 150950 | 13.7227 | 0 | 150950 | 150950 | 13.7227 | 0.0000 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 620750 | 85100 | 705850 | 64.1682 | 620750 | 85100 | 705850 | 64.1682 | 0.0000 |
| c) Others (Specify) | | | | | | | | | |
| Non Resident Indians | | | | | | | | | |
| Qualified Foreign Investor | | | | | | | | | |
| Custodian of Enemy Property | | | | | | | | | |
| Foreign Nationals | | | | | | | | | |
| Clearing Members | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| Trusts | | | | | | | | | |
| Foreign Bodies-D R | | | | | | | | | |
| Foreign Portfolio Investors | | | | | | | | | |
| NBFCs registered with RBI | | | | | | | | | |
| Employee Trusts | | | | | | | | | |
| Domestic Corporate Unclaimed Shares Account | | | | | | | | | |
| Investor Education and Protection Fund Authority | | | | | | | | | |
| Sub-total(B)(2):- | 827750 | 257250 | 1085000 | 98.6364 | 827750 | 257250 | 1085000 | 98.6364 | 0.0000 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 827750 | 257250 | 1085000 | 98.6364 | 827750 | 257250 | 1085000 | 98.6364 | 0.0000 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| Grand Total (A+B+C) | 842750 | 257250 | 1100000 | 100.0000 | 842750 | 257250 | 1100000 | 100.0000 | 0.0000 |

NOTE : This is in reference to information submitted under Table I & II of the captioned Shareholding Pattern for the quarter ended 31.03.2020, we would like to state that M/s LHP Pvt. Ltd. has sold 157000 equity shares held in demat mode only on 24.03.2017 and since the acquirer has no demat account till 31.03.2020 and accordingly these shares are lying under trust with LHP only with no voting rights attached thereto. Hence, the promoter/promoters group collectively held in aggregate 15000 equity shares representing 1.36% of the equity and voting share capital of Nawratan Arts Ltd. as on 31.03.2020.

| vii) Shareholding Pattern of top ten Shareholders | | | | | | |
|---|-------------------------------------|---|----------------------------------|--|----------------------------------|------------|
| (Other than Directors, Promoters and Holders of GDRs and ADRs): | | | | | | |
| Sl No | Name | Shareholding at the beginning [01/04/2019]/end of the year [31/03/2020] | | Cumulative Shareholding during the year [01/04/2019 to 31/03/2020] | | PAN |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 1 | PANKAJ DHANUKA (HUF) | | | | | AAOHP8856M |
| | 01-04-19 | 61000 | 5.5455 | 61000 | 5.5455 | |
| | 31-03-20 | 61000 | 5.5455 | 61000 | 5.5455 | |
| 2 | NITA AGARWAL | | | | | AVWPA5435A |
| | 01-04-19 | 60500 | 5.5000 | 60500 | 5.5000 | |
| | 31-03-20 | 60500 | 5.5000 | 60500 | 5.5000 | |
| 3 | SUBODH KUMAR SINGHANIA (HUF) | | | | | ABAHS7071N |
| | 01-04-19 | 54000 | 4.9091 | 54000 | 4.9091 | |
| | 31-03-20 | 54000 | 4.9091 | 54000 | 4.9091 | |
| 4 | PAWAN KUMAR SUREKA (HUF) | | | | | AAOHP8856M |
| | 01-04-19 | 54000 | 4.9091 | 54000 | 4.9091 | |
| | 31-03-20 | 54000 | 4.9091 | 54000 | 4.9091 | |
| 5 | PAWAN KUMAR SUREKA | | | | | ALQPS6815C |
| | 01-04-19 | 54000 | 4.9091 | 54000 | 4.9091 | |
| | 31-03-20 | 54000 | 4.9091 | 54000 | 4.9091 | |
| 6 | ROHIT BAGARIA | | | | | CKIPB0194G |
| | 01-04-19 | 51440 | 4.6764 | 51440 | 4.6764 | |
| | 31-03-20 | 51440 | 4.6764 | 51440 | 4.6764 | |
| 7 | DENTAX (INDIA) LIMITED | | | | | AABCD1191K |
| | 01-04-19 | 50000 | 4.5455 | 50000 | 4.5455 | |
| | 31-03-20 | 50000 | 4.5455 | 50000 | 4.5455 | |
| 8 | PREMCHAND BAGARIA | | | | | BAHPB8619J |
| | 01-04-19 | 50000 | 4.5455 | 50000 | 4.5455 | |
| | 31-03-20 | 50000 | 4.5455 | 50000 | 4.5455 | |
| 9 | CHANDAN AGARWAL | | | | | BKBPA9840E |
| | 01-04-19 | 52850 | 4.8045 | 52850 | 4.8045 | |
| | 31-03-20 | 52850 | 4.8045 | 52850 | 4.8045 | |
| 10 | LAXMI KANT BAGARIA | | | | | AGUPB6783B |
| | 01-04-19 | 49560 | 4.5055 | 49560 | 4.5055 | |
| | 31-03-20 | 49560 | 4.5055 | 49560 | 4.5055 | |

| viii) Shareholding of Directors and Key Managerial Personnel | | | | | | |
|---|------------------|---|----------------------------------|--|----------------------------------|------------|
| Sl No | Name | Shareholding at the beginning [01/04/2019]/end of the year [31/03/2020] | | Cumulative Shareholding during the year [01/04/2019 to 31/03/2020] | | PAN |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 1 | TINA KHAITAN | 0 | 0.00 | 0 | 0 | |
| 2 | KAMAL KHAITAN | 0 | 0.00 | 0 | 0 | |
| 3 | JAIPRAKASH GUPTA | 10100 | 0.9182 | 10100 | 0.9182 | AGJPG5316J |
| 4 | ASHISH GOENKA | 0 | 0.00 | 0 | 0 | |
| 5 | GOUTAM DEY | 0 | 0.00 | 0 | 0 | |
| 6 | JYOTI YADAV | 0 | 0.00 | 0 | 0 | |

| ix) INDEBTEDNESS: Not Applicable | | | | |
|---|---|----------------------------|-----------------|-------------------------------|
| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | NIL | NIL | NIL | NIL |
| ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |
| Change in Indebtedness during the financial year | | | | |
| Additions | NIL | NIL | NIL | NIL |
| Reduction | NIL | NIL | NIL | NIL |
| Net Change | NIL | NIL | NIL | NIL |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | NIL | NIL | NIL | NIL |
| ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |

| x) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: | | | | | | |
|--|---|---|----------|----------|----------|---------------------|
| A. Remuneration to Company Secretary, Whole time director and/or Manager,CEO,CFO: | | | | | | |
| Sl.No | Particulars of Remuneration | Name of the KMP | | | | Total Amount |
| 1 | Gross salary | Hemant Agarwal (COMPANY SECRETARY) | | | | Total Amount |
| | (a) Salary as per provisions contained in | 48,775 | - | - | - | 48,775 |
| | (b) Value of perquisites u/s 17(2) of the | - | - | - | - | - |
| | (c) Profits in lieu of salary under section | - | - | - | - | - |
| 2 | Stock option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - |
| | as % of profit | - | - | - | - | - |
| | others (specify) | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | Total (A) | 48,775 | - | - | - | 48,775 |
| | Ceiling as per the Act | 48,775 | - | - | - | 48,775 |
| Sl.No | Particulars of Remuneration | Name of the KMP | | | | Total Amount |
| 1 | Gross salary | Titir Nag (COMPANY SECRETARY) | | | | Total Amount |
| | (a) Salary as per provisions contained in | 157,500 | - | - | - | 157,500 |
| | (b) Value of perquisites u/s 17(2) of the | - | - | - | - | - |
| | (c) Profits in lieu of salary under section | - | - | - | - | - |
| 2 | Stock option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - |
| | as % of profit | - | - | - | - | - |
| | others (specify) | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | Total (A) | 157,500 | - | - | - | 157,500 |
| | Ceiling as per the Act | 157,500 | - | - | - | 157,500 |

Date: 30.06.2020
Place: Kolkata

For and on behalf of the Board
S/d
Jaiprakash Gupta
Wholetime Director
DIN: 07207528

For and on behalf of the Board
S/d
Tina Khaitan
Director
DIN: 07092761

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

To,
The Members,
Nawratan Arts Ltd.
119/B Muktaram Babu Street,
2nd floor
Kolkata – 700 007.

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

Based on my verification of the Company's 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 ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- 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, wherever applicable (**Foreign Direct Investment and Overseas Direct Investment not applicable during the audit period**)
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
Not Applicable*
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not Applicable*
 - 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;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
Not Applicable*

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;-
Not Applicable*

vi) And other applicable laws like Payment of Gratuity Act, 1972, Payment of Wages Act, 1936, Payment of Bonus Act, 1965, The West Bengal Tax on Professions, Trades, Callings and Employments Act, 1979, West Bengal Shops & establishment Act, 1963 etc.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below.

- i. **The Company has not appointed any Internal Auditor under section 138 of the Companies Act 2013.**

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 notice is 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that 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.

This Report is to be read with our letter of even date which is annexed “**Annexure A**” and forms an Integral Part of this Report.

Date: 30.06.2020
Place: Kolkata

S/d

Manisha Lath
Practicing Company Secretary
Membership No.:15614 C. P. No.: 16768
UDIN: A015614B000402550

Annexure 'A' to the Secretarial Audit Report

To,
The Members,
Nawratan Arts Limited.

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. I have followed the Audit practices and processes as where 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 the reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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 and standards is the responsibilities of the management. Our examination was limited to the verification of procedures 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.

Date: 30.06.2020
Place: Kolkata

S/d

Manisha Lath
Practicing Company Secretary
Membership No.:15614, C. P. No.: 16768
UDIN: A015614B000402550



Bijan Ghosh & Associates
Chartered Accountants

Independent Auditor's Report

To
The Members of
M/s. Nawratan Arts Limitd.

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Nawratan Arts Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the statement of change in equity, the statement of Cash Flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Profit, changes and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified u/s 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirement that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENT 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 Board's Report, Business Responsibility Report but does not include the financial statements does not cover the other auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 the

design, implementation and maintenance of 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 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 liquidated the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 i individually or in the aggregate, they could reasonably be expected to Influence the economic decisions of users taken on the basis of these financial statements

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)() of the Companies Act, 2013, we are also responsible for expressing your 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 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 financial statements, Including the disclosures, and whether the 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 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, statement on the matters specified in Paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, 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 and Cash flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Balance Sheet and the Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standard referred to in 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 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.

f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in (Annexure –B).

g) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.

i. The company have no pending litigation on its financial position in its financial statement.

ii. The company has made provisions, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, and long term contracts including derivative contracts.

iii. Since the Company has incurred Loss during the Financial Year ending on 31-03-2020, there is no declaration of Dividend.

For, Bijan Ghosh & Associates
Chartered Accountants
Firm's registration number: 323214E

S/d

CA. Bijan Ghosh
Membership No: 009491
Place: Kolkata
Date: The 30th day of June, 2020
UDIN: 20009491AAAABO5764



Bijan Ghosh & Associates
Chartered Accountants

Annexure A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of NAWRATAN ARTS LIMITED of even date).

The Annexure Referred to our Independent Auditor’ Report to the members of the Company **NAWRATAN ARTS LIMITED** on the standalone Financial Statements for the year ended 31st March, 2020, we report that;

- 1) The Company has no Fixed Assets; therefore the physical verification of Assets does not arise.
- 2) (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
(b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) On the basis of our examination of records of inventory and in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operation of the company.
- 3) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- 4) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- 5) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 6) The Company has not accepted any deposits from the public.
- 7) As informed to us, the maintenance of Cost Records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
 - a. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues including Provident Fund, Employees ‘state Insurance Dues, Income Tax, GST, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and Other material Statutory dues have generally been regularly deposited, by the Company during the year with the appropriate authorities in India. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2020 for a period of more than six months from the date of becoming payable.
 - b. As at 31st March, 2020, there have been no disputed dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Value Added Tax, GST and Cess.

- 8) In our opinion and according to the information and explanations given to us, the Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures.
- 9) The Company has accumulated losses at the end of the financial year.
- 10) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- 12) Based upon the audit procedures performed and the information and explanations given by the management we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 13) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 14) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 15) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) Of the Order are not applicable to the Company.
- 16) In our opinion and according to the information given to us, and based on our examination of the Records of the company, company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year.
- 17) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 18) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, Bijan Ghosh & Associates
Chartered Accountants
Firm's registration number: 323214E

S/d

CA. Bijan Ghosh
Membership No: 009491
Place: Kolkata
Date: The 30th day of June, 2020
UDIN: 20009491AAAABO5764



Bijan Ghosh & Associates
Chartered Accountants

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements

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 NAWRATAN ARTS LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

We have audited the internal financial controls with reference to financial statements of NAWRATAN ARTS LIMITED (“the Company”) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year then ended.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements 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.(the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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, (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to financial statements.

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 with reference financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements 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 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 with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M/s. Bijan Ghosh & Associates
Chartered Accountants
Firm's registration number: 323214E

S/d

CA. Bijan Ghosh
Membership No: 009491
Place: Kolkata
Date: The 30th day of June, 2020
UDIN: 20009491AAAABO5764

Nawratan Arts Limited **2020**

(CIN L51109WB1981PLC033431) Annual Report

| NAWRATAN ARTS LIMITED | | | |
|--|-------------|-----------------------------------|--------------------------|
| Balance sheet as at 31st March, 2020 | | | |
| (Amount in Rs.) | | | |
| Particulars | Note No. | Figures as at 31.03.2020 | Figures as at 31.03.2019 |
| <u>ASSETS</u> | | | |
| 1 Non-Current assets | | | |
| (A) Financial Assets | | | |
| (i) Investments | 2 | 16,648,152 | 17,328,560 |
| (ii) Loans | 3 | 244,150 | 244,150 |
| Total Non-Current Assets | | 16,892,302 | 17,572,710 |
| 2 Current assets | | | |
| (A) Inventories | 4 | 372,262 | 567,338 |
| (B) Financial Assets | | | |
| (i) Trade Receivables | 5 | 1,690,771 | 1,438,560 |
| (ii) Cash and Cash Equivalents | 6 | 250,264 | 281,756 |
| (iii) Bank Balance other than (ii) above | 7 | 2,315 | 2,315 |
| (C) Current Tax Assets(Net) | 8 | - | - |
| (D) Other Current Assets | 9 | 324,370 | 324,370 |
| Total Current Assets | | 2,639,982 | 2,614,339 |
| TOTAL ASSETS | | 19,532,284 | 20,187,049 |
| Particulars | Note No. | Figures as at 31.03.2020 | Figures as at 31.03.2019 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| 1 Equity | | | |
| (A) Equity Share capital | 10 | 11,000,000 | 11,000,000 |
| (B) Other Equity | 11 | 5,111,237 | 5,777,253 |
| Total Equity | | 16,111,237 | 16,777,253 |
| 2 Liabilities | | | |
| (A) Non-Current Liabilities | | | |
| (i) Deffered Tax Liabilities(Net) | 12 | 3,363,181 | 3,363,181 |
| Total Non-Current Liabilities | | 3,363,181 | 3,363,181 |
| (B) Current Liabilities | | | |
| (i) Financial Liabilities | | | |
| (a) Trade Payables | 13 | 14,000 | - |
| (b) Other Financial Liabilities | 14 | - | 1,395 |
| (iii) Other Current Liabilities | 15 | 43,866 | 45,220 |
| Total Current Liabilities | | 57,866 | 46,615 |
| Total current & Non current liabilities | | 3,421,047 | 3,409,796 |
| TOTAL LIABILITIES | | 19,532,284 | 20,187,049 |
| Notes on Financial Statements | 1-29 | | |
| As per our report annexed of even date | | | |
| For Bijan Ghosh & Associates | | For and on behalf of Board | |
| Chartered Accountants | | | |
| Firm's Registration No.323214E | | | |
| S/d | | S/d | S/d |
| CA. Bijan Ghosh | | Tina Khaitan | Jai Prakash Gupta |
| Membership No. 009491 | | Director | Whole Time Director |
| Date: 30th Day of June, 2020 | | DIN 07092761 | DIN 07207528 |
| UDIN: 2000949AAAABO5764 | | | |

| NAWRATAN ARTS LIMITED | | | |
|--|--|---------------------------------------|---------------------------------------|
| Statement of Profit and loss for the years ended 31st March, 2020 | | | |
| (Amount in Rs.) | | | |
| | | | |
| Particulars | Note No. | Figures for the year ended 31.03.2020 | Figures for the year ended 31.03.2019 |
| Income | | | |
| I | Revenue from operations | 273,600 | 1,438,560 |
| II | Other income | (16,681) | (584,006) |
| III | Total Revenue(I + II) | 256,919 | 854,554 |
| Expenses : | | | |
| IV | Purchase of Stock-in-Trade | - | - |
| | Change in Inventories of Stock in Trade | 195,076 | 1,025,689 |
| | Employee benefit Expenses | 266,275 | 370,000 |
| | Other expenses | 461,584 | 287,393 |
| | Total expenses | 922,935 | 1,683,082 |
| V | Profit before tax (V-VI) | (666,016) | (828,528) |
| VI | Tax expense : | | |
| | (1) Current tax | - | - |
| | (2) Tax adjustments of earlier years | - | - |
| | (3) Deferred tax | - | - |
| VII | Profit (loss) for the period | (666,016) | (828,528) |
| VIII | Other Comprehensive Income | 22 | |
| (1) | Items that will not be reclassified subsequently to the Profit and Loss Account | | |
| | (a) Changes in fair values of investment in equities carried at Fair Value Through OCI | - | 196,416 |
| (2) | Income-tax relating to Items that will not be reclassified subsequently to the Profit and Loss | - | (29,462) |
| | Other Comprehensive Income, net of tax | - | 166,954 |
| Total Comprehensive Income for the period | | (666,016) | (661,574) |
| Basic & Diluted earning per Equity Share: | | (0.61) | (0.75) |
| Notes on Financial Statements | | 1-29 | |
| As per our report annexed of even date | | | |
| For Bijan Ghosh & Associates | | For and on behalf of Board | |
| Chartered Accountants | | | |
| Firm's Registration No.323214E | | | |
| S/d | | S/d | S/d |
| CA. Bijan Ghosh | | Tina Khaitan | Jai Prakash Gupta |
| Membership No. 009491 | | Director | Whole Time Director |
| Date: 30th Day of June, 2020 | | DIN 07092761 | DIN 07207528 |
| UDIN: 2000949AAAABO5764 | | | |

| NAWRATAN ARTS LIMITED | | | | | |
|---|----------------------|---------------------------------------|--------------------------------|--------------------|--|
| Statement of changes in Equity for the Financial Year 2019-20 | | | | | (Amount in Rs.) |
| Particulars | Equity Share Capital | Other Equity | | | Total Equity Attributable to the equity holders of the company |
| | | Reserve And Surplus Retained Earnings | Other comprehensive income | | |
| | | | Equity Instruments Through OCI | Other Items of OCI | |
| Balance as at 1st April, 2018 | 11,000,000 | (711,517) | 7,120,882 | - | 17,409,365 |
| Changes in Equity | | | | | |
| (a) Profit for the year | - | (828,528) | | - | (828,528) |
| (b) Gain on equities carried at FVTOCI | - | - | 196,416 | - | 196,416 |
| Total Comprehensive Income for the year | - | (828,528) | 196,416 | - | (632,112) |
| Balance as at 31st March, 2019 | 11,000,000 | (1,540,045) | 7,317,298 | - | 16,777,253 |
| Balance as at 1st April, 2019 | 11,000,000 | (1,540,045) | 7,317,298 | - | 16,777,253 |
| Changes in Equity | | | | | |
| (a) Profit for the year | - | (666,016) | - | - | (666,016) |
| (b) Gain on equities carried at FVTOCI | - | - | - | - | - |
| Total Comprehensive Income for the year | - | (666,016) | - | - | (666,016) |
| Balance as at 31st March, 2020 | 11,000,000 | (2,206,061) | 7,317,298 | - | 16,111,237 |

Notes on Financial Statements
As per our report annexed of even date
For Bijan Ghosh & Associates
Chartered Accountants
Firm's Registration No.323214E

For and on behalf of Board

| | | |
|---|---|---|
| S/d | S/d | S/d |
| CA. Bijan Ghosh Membership No. 009491 Date: 30th Day of June, 2020 UDIN: 2000949AAAABO5764 | Tina Khaitan Director DIN 07092761 | Jai Prakash Gupta Whole Time Director DIN 07207528 |

| NAWRATAN ARTS LIMITED | | |
|---|--|---------------------------|
| CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 | | |
| | (Amount in Rs.) | |
| | <u>2019-20</u> | <u>2018-19</u> |
| A) Cash flow from operating activities | | |
| Net Profit / (Loss) before extraordinary items and tax | (666,016) | - (828,528) |
| Adjustments for: | | |
| Interest income | - | - |
| Speculative profit | - | - |
| Profit on Sale of Investments | 216,148 | - 18,647 |
| Profit on F & O | - | - 565,459 |
| Operating profit / (loss) before working capital changes | <u>(449,868)</u> | <u>(244,422)</u> |
| Changes in working capital: | | |
| (Increase)/Decrease in Inventories | 195,076 | 1,025,689 |
| (Increase)/Decrease in Trade receivables | (252,211) | (334,209) |
| Increase/(Decrease) in Trade payables | 11,251 | (162,805) |
| Increase/(Decrease) in Other long term liability | - | - |
| | <u>(495,752)</u> | <u>284,253</u> |
| Net income tax (paid) / refunds | - | - |
| Cash Flow Before Extra-Ordinary Items | <u>(495,752)</u> | <u>284,253</u> |
| Extra-Ordinary Items | - | - |
| Net Cash From Operating Activities | <u>(495,752)</u> | <u>284,253</u> |
| B) Cash flow from Investing activities | | |
| Net Proceeds from dealings in Investments | 464,260 | (4,197,361) |
| Loans and Advances Given | - | 3,557,500 |
| Profit on F & O | - | (565,459) |
| Interest Received | - | - |
| Net cash flow from / (used in) Investing activities (B) | <u>464,260</u> | <u>(1,205,320)</u> |
| C) Cash flow from financing activities | | |
| Net cash flow from / (used in) financing activities (C) | - | - |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | (31,492) | (921,067) |
| Cash and cash equivalents at the beginning of the year | 281,756 | 1,202,823 |
| Cash and cash equivalents at the end of the year | <u>250,264</u> | <u>281,756</u> |
| Note : | 1. Figures in bracket represent cash outflow. 2. Previous year's Figures have been regrouped/rearranged wherever necessary. | |
| This is the Cash Flow Statement referred to in our report of even date. | | |
| For Bijan Ghosh & Associates | For and on behalf of Board | |
| Chartered Accountants | | |
| Firm's Registration No.323214E | | |
| S/d | S/d | S/d |
| CA. Bijan Ghosh | Tina Khaitan | Jai Prakash Gupta |
| Membership No. 009491 | Director | Whole Time Director |
| Date: 30th Day of June, 2020 | DIN 07092761 | DIN 07207528 |
| UDIN: 2000949AAAABO5764 | | |

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020

1. Statement of Significant accounting policies

A. Corporate Information

Nawratan Arts Limited 'the company' is an entity incorporated in India. The registered office of the Company is located at 119/B, Mukhtaram Babu Street, 2nd Floor, Kolkata – 700007.

B. Significant Accounting Policies

B.1 Statement of Compliance

The financial Statements of the Company have been prepared in accordance with the Indian Accounting Standard referred to as 'Ind AS' as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 with effect from April 1, 2018.

B.2 Basis of Preparation and Presentation

a) The 'Ind AS financial statements' has been prepared on historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Fair value is the price that would have been fetched to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measured date.

b) The preparation of the financial statements in conformity with the Ind AS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets & liabilities and accompanying disclosures as at date of the Ind AS financial statements and the reported amounts of these revenues and expenses for the years under presentation. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates & assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the period of the revision and future periods depending upon the effects.

c) The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in provisions.

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits and compensated leave) are not discounted to its present value and are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates.

d) In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the same are treated as contingent liabilities.

Contingent liability is disclosed when the Company has a possible obligation or present obligation and it is probable that a cash flow will not be required to settle the obligation.

Contingent assets are not disclosed in the financial statements unless an inflow of economics benefits is probable.

B3. Revenue Recognition

Revenue from sale of goods is recognized, when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Sales are presented net of trade allowance, rebate, duties & taxes if any except excise duty if applicable. Other Revenue is recognized on accrual basis.

B4. Tax Expenses

The tax expense for the period comprises of current and deferred income tax. Taxes are recognized in Statement of Profit & Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income (OCI) or directly in equity, in which case, the taxes are also recognized in Other Comprehensive Income or directly on equity respectively.

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted/prevaling at the Balance Sheet date.

ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted and/or substantively enacted at the end of reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

B5. Financial Instruments & variables

(i) Recognition & Initial Measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Classification & Subsequent measurement

a) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into know amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

b) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financials assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

d) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

e) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

f) Derivative financial instruments accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently restated at their fair value. Derivatives are carried as financial assets so long as the fair values are positive and as financial liabilities when the fair value are negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

g) Investment in subsidiaries, joint venture and associates

Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.

(iii) Derecognition

a) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

b) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

B6. Earnings Per Share

Basic and Diluted Earnings per share is calculated by dividing the net profit attributable to equity shareholders by weighted average number of equity shares/dilutive potential equity shares outstanding as at end of the reporting period as the case may be.

B7. Cash Flow

Cash flows are reported using the Indirect Method, whereby profit/loss before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financial cash flows. Cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

For the purpose of cash flow statement, Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an unexpired maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any, Bank overdraft are disclosed within borrowings in current liabilities in the Balance Sheet.

a) Inventories

Stock-in-trade is valued at the lower of cost or net realisable value. Cost comprises of prime cost and other overheads incurred in bringing the inventories to their present location and condition computed on a moving weighted average basis.

| NAWRATAN ARTS LIMITED | | | | | |
|--|------------|---------------------|-------------------|---------------------|-------------------|
| Notes on Ind AS Financial Statements for the year ended 31st March,2020 | | | | | |
| 2. Investments | | | | | |
| (Amount in Rs.) | | | | | |
| Particulars | Face Value | As at March 31,2020 | | As at March 31,2019 | |
| Non-Current Investments | | Nos/Unit | Amount | Nos/Unit | Amount |
| Investments measured at FVTOCI | | | | | |
| <i>Investment in Equity Instrumenst(Fully Paid Up)</i> | | | | | |
| Others | | | | | |
| Quoted - At FVTOCI | | | | | |
| AKSHOTFBR | | 6000 | 666,029 | | |
| BHEL | | 500 | 334,541 | | |
| CDSL | | 100 | 353,547 | | |
| CL Limited | 10.00 | 2000 | 360,266 | 2000 | 21,160 |
| DREDCROP | | 150 | 353,498 | | |
| GSFC | | 500 | 312,381 | | |
| HSCL | | 500 | 404,539 | | |
| KEC | | 1000 | 4,929,927 | | |
| Mangchefer | | 1000 | 560,416 | | |
| Ommetala | | 750 | 157,664 | | |
| Suryaroshni | | 503 | 1,431,940 | | |
| Tatamotors | | 700 | 1,165,694 | | |
| Power Finance Corporation Ltd | 10.00 | 200 | 298,722 | 3,700 | 11,135,710 |
| Dentax (India) Ltd. | 10.00 | 97,000 | 242,500 | 97,000 | 242,500 |
| SREI Infra | 10.00 | 200 | 156,488 | 200 | 9,190 |
| Unquoted - At FVTOCI | | | | | |
| Abhinandan Advisory Services Pvt. Ltd. | 10.00 | - | - | - | - |
| Anubhuti Commercial Pvt. Ltd. | 10.00 | - | - | - | - |
| Emesh Education Solutions Pvt. Ltd. | 10.00 | - | - | - | - |
| Juhi Commotrade Pvt. Ltd. | 10.00 | - | - | - | - |
| Purple Edu Info Services Pvt. Ltd. | 10.00 | - | - | - | - |
| Safe Zone Agro Commercial Pvt. Ltd. | 10.00 | - | - | - | - |
| Triksys Infotech Pvt. Ltd. | 10.00 | - | - | - | - |
| Sigma Power Pvt. Ltd. | 10.00 | 224,000 | 1,120,000 | 224,000 | 1,120,000 |
| Overreach Merchants Pvt. Ltd. | 10.00 | 1,000 | 3,800,000 | 1,000 | 3,800,000 |
| | | | 16,648,152 | | 16,328,560 |
| Investment in Mutual Funds | | | | | |
| ICICI Liquid Fund | | | - | | 1,000,000 |
| TOTAL | | | 16,648,152 | | 17,328,560 |
| Aggregate Carrying value of Unquoted Investments | | | 4,920,000 | | 4,920,000 |
| Aggregate Market value of Quoted Investments | | | 11,728,152 | | 12,408,560 |
| Financial Assets Measure at FVTOCI | | | | | |
| Equity Instruments - Equity Shares | | | | | - |

| NAWRATAN ARTS LIMITED | | |
|--|-------------------------|-------------------------|
| NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2020 | | |
| | <u>As at 31.03.2020</u> | <u>As at 31.03.2019</u> |
| 3. Loans | | |
| <i>Unsecured, Considered good</i> | | |
| Loan to Corporate Bodies | 244,150 | 244,150 |
| Total | 244,150 | 244,150 |
| 4. Inventories | | |
| Stock in trade | 372,262 | 567,338 |
| Total | 372,262 | 567,338 |
| Detail of Inventories of Traded Goods | | |
| Textile | 372,262 | 1,593,027 |
| 5. Trade Receivables | | |
| <i>Unsecured, Considered good</i> | | |
| | 1,690,771 | 1,438,560 |
| Total | 1,690,771 | 1,438,560 |
| Ageing | | |
| Debts over 6 Months | - | - |
| Other debts | 1,690,771 | 1,104,351 |
| 6. Cash & Cash Equivalents | | |
| Cash on Hand | 5,785 | 71,181 |
| Balance with Bank | 244,479 | 210,575 |
| Total | 250,264 | 281,756 |
| 7. Bank Balance other than (ii) above | | |
| <i>Earmarked Balances with banks:</i> | | |
| Unclaimed Dividend Account | 2,315 | 2,315 |
| Total | 2,315 | 2,315 |
| 8. Current tax assets | | |
| Advance tax (Net of provisions) | - | - |
| Total | - | - |
| 9. Other Current Assets | | |
| Advances recoverable in cash or kind | 242,500 | 242,500 |
| Balance with Revenue Authorities | 81,870 | 81,870 |
| Total | 324,370 | 324,370 |
| 10. Equity Share Capital | | |
| <u>Authorised Share Capital</u> | | |
| 11,00,000 Equity shares of Rs 10/- each | 11,000,000 | 11,000,000 |
| <u>Issued, Subscribed and Fully paid up</u> | | |
| 11,00,000 Equity shares of Rs 10 each fully paid up | 11,000,000 | 11,000,000 |
| Total | 11,000,000 | 11,000,000 |

| NAWRATAN ARTS LIMITED | | | | |
|---|----------------------|--------------------|----------------------|-------------------|
| NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2020 | | | | |
| a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period | | | | |
| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
| | No. Of Share | Amount(in Rs.) | No. Of Share | Amount(in Rs.) |
| Share Outstanding at the beginning of the year | 1100000 | 11,000,000 | 1,100,000 | 11,000,000 |
| Add: Share issued during the year | - | - | - | - |
| Less: Share cancelled during the year | - | - | - | - |
| Share Outstanding at the end of the year | 1100000 | 11,000,000 | 1100000 | 11,000,000 |
| b) Details of shareholders holding more than 5% shares in the company | | | | |
| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
| | No. of Shares | % | No. of Shares | % |
| Pradeep Goenka | - | - | - | - |
| Minakshi Goenka | - | - | - | - |
| Accord Merchandise Pvt. Ltd. | - | - | - | - |
| Pankaj Dhanuka (HUF) | 61,000 | 5.55 | 61,000 | 5.55 |
| Nita Agarwal | 60,500 | 5.50 | 60,500 | 5.50 |
| c) Terms/rights attached to equity shares | | | | |
| The company has only one class of equity shares having a face value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive their shares in remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. | | | | |
| 11. Other Equity | | Year Ended | Year Ended | |
| | | 31.03.20 | 31.03.19 | |
| a) Retained Earning | | | | |
| Opening Balance | | (1,540,045) | (711,517) | |
| Add: Profit(Loss) for the year | | (666,016) | (828,528) | |
| Closing balance | | (2,206,061) | (1,540,045) | |
| b) FVTOCI- Equity Instruments | | | | |
| Opening Balance | | 7,317,298 | 7,120,882 | |
| Add: Change in fair value of FVTOCI equity instruments | | - | 196,416 | |
| Closing balance | | 7,317,298 | 7,317,298 | |
| Total | | 5,111,237 | 5,777,253 | |
| 12. Deferred Tax Liabilities (Net) | | | | |
| Deferred Tax Liabilities on account of temporary differences: | | | | |
| Fair value measurement of Equity Instruments | | 3,363,181 | 3,363,181 | |
| Total | | 3,363,181 | 3,363,181 | |
| 13. Trade Payables | | | | |
| Others | | 14,000 | - | |
| | | 14,000 | - | |
| * The Company on the basis of information available to it has not been able to verify the status of vendors under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at the year end together with interest paid/payable under this act have not been given. | | | | |
| 14. Other Financial liabilities- Current | | | | |
| Unclaimed Dividends* | | - | 1,395 | |
| Derivative Instruments | | - | - | |
| | | - | 1,395 | |
| *Unclaimed dividends represent the amount due to be transferred / Credited to Investor Education Protection Fund. | | | | |
| 15. Other Current Liabilities | | | | |
| Sundry Creditors for Expenses | | 43,866 | 45,220 | |
| Statutory Dues | | - | - | |
| | | 43,866 | 45,220 | |

| NAWRATAN ARTS LIMITED | | |
|--|----------------------------------|----------------------------------|
| NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2020 | | |
| | (Amount in Rs.) | |
| | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
| 16. Revenue From Operations | | |
| Sale of Traded Goods | 273,600 | 1,438,560 |
| | 273,600 | 1,438,560 |
| <u>Details of sale of Traded Goods</u> | | |
| Textile | 273,600 | 1,438,560 |
| 17. Other Income | | |
| Speculative Profit | 101,296 | - |
| Income from Mutual Fund | 92,941 | - |
| Interest Received | - | - |
| Profit From F&O | - | (565,459) |
| Dividend | 5,230 | 100 |
| Profit/(Loss) from Equity Shares | (216,148) | (18,647) |
| Income on Instruments measured at FVTPL | - | - |
| Total | (16,681) | (584,006) |
| 18. Purchases of Stock in Trade | | |
| Stock-in-Trade | - | - |
| Total | - | - |
| <u>Details Of Purchase</u> | | |
| Textile | - | - |
| 19. Changes in Inventories of Stock in Trade | | |
| Closing Stock | 762,414 | 567,338 |
| Opening Stock | 567,338 | 1,593,027 |
| | 195,076 | 1,025,689 |
| <u>Details of Closing Stock of Traded Goods</u> | | |
| Textile goods | 762,414 | 1,593,027 |
| 20. Employee Benefits Expense | | |
| Salaries and allowanance | 266,275 | 370,000 |
| Total | 266,275 | 370,000 |
| 21. Other Expenses | | |
| Advertisement | 27,844 | 9,039 |
| Auditors Remuneration: | | |
| For Statutory Audit | 12,500 | 12,500 |
| For Tax Audit | 2,500 | 2,500 |
| For others | - | - |
| Printing & Stationery | 26,510 | 26,100 |
| Listing Fees | 81,420 | 79,650 |
| Filing fees | 3,000 | 7,800 |
| Interest Expenses | - | - |
| Conveyance | 7,819 | 12,749 |
| Postage and telegram | 11,410 | 10,070 |
| Accounting charges | - | 16,000 |
| General charges | 23,340 | 56,369 |
| Share Related Charges | 83,973 | - |
| Share Related Expenses | 1,050 | - |
| Stock Exchange Expenses | 97,940 | - |
| Registrar Charges | 33,040 | - |
| Demat charges | 30,738 | 2,083 |
| Provision for Loss on F & O | - | 16,493 |
| Professional charges | 18,500 | 36,040 |
| Total | 461,584 | 287,393 |
| 22. Other Comprehensive Income/(Expense)(Net of Taxes) | | |
| Fair Value of Equity Investments- Designated at OCI | 166,954 | 166,954 |
| Total | 166,954 | 166,954 |

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

| | Year Ended 31.03.20 | Year Ended 31.03.19 |
|---|------------------------|------------------------|
| (Amount in Rs.) | | |
| 23. Earnings Per Share (EPS) | | |
| Earnings after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.) | (666,016) | (828,528) |
| Weighted Average Number of equity shares used as denominator for calculating EPS | 1,100,000 | 1,100,000 |
| Basic/Diluted Earnings per share(Rs.) | (0.61) | (0.75) |
| Face Value per equity shares (Rs.) | 10.00 | 10.00 |

24. Contingent Liabilities not Provided for : Nil (Pr. Year Nil)

25. Segmental Information:

Business Segments :

Based on the nature of activities, risk and rewards and organization structure, the operating segment of the company has been identified to be "Trading of Textiles goods". The Chief operating decision maker (CODM) reviews business performance at an overall company level as one Business segment.

Geographic Segments:

26. Balances of trade receivables, trade payables, advances, advances from customers and bank balance of unclaimed dividend A/c are subject to confirmation.

27. Related Party Disclosures as required by Ind AS-24 :-

i) Key Managerial Personnel (KMP) and Relatives of such Personnel

- a) Tina Khaitan
- b) Kamal Khiatan
- c) Jai Prakash Gupta

ii) Enterprise over which the KMPs & their relatives having significant influences

- a) Jubilee Shipping & logistics Ltd.
- b) Plenary Travels & Services LLP

iii) Transactions with Related Party

| Particulars | KMPs & their relatives | Enterprise over which the KMPs & their relatives having significant influences | Balance As on 31st March, 2020 |
|---------------|------------------------|--|--------------------------------|
| Salary | 206,275 | Nil | Nil |
| Previous Year | 240,000 | Nil | Nil |

28. Income & Expenditure in foreign currencies Nil (Pr. Year Nil)

29. Previous year figures have been reclassified / regrouped/rearranged wherever considered necessary.

For Bijan Ghosh & Associates

Chartered Accountants

Firm's Registration No.323214E

For and on behalf of Board

S/d

S/d

S/d

CA. Bijan Ghosh

Membership No. 009491

Date: 30th Day of June, 2020

UDIN: 2000949AAAABO5764

Tina Khaitan

Director

DIN 07092761

Jai Prakash Gupta

Whole Time Director

DIN 07207528