

# PALASH SECURITIES LIMITED

CIN – L74120UP2015PLC069675

REGD. OFFICE - P.O. HARGAON, DIST SITAPUR (U.P.), PIN – 261 121

Phone No. (05862) 256220-221; Fax No.: (05862) 256 225

E-mail – [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org); Website-[www.birla-sugar.com](http://www.birla-sugar.com)

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17th July, 2024

The Secretary  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra- Kurla Complex, Bandra (E)  
Mumbai 400 051

**Symbol : PALASHSECU**

The Dy. General Manager  
Corporate Relationship Department  
BSE Ltd.  
1st Floor, New Trading Ring,  
Rotunda Building  
P.J. Towers, Dalal Street, Fort  
Mumbai-400 001  
**Stock Code : 540648**

Dear Sir,

**Sub: Submission of Annual Report including Audited Financial Statements for the year ended 31st March, 2024**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose a copy of the Annual Report including Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Notice dated May 15, 2024 convening the 10th Annual General Meeting of the Company on Friday, August 9, 2024.

You are requested to take the above information on record.

Thanking you,  
Yours faithfully,  
**For Palash Securities Limited**

Vikram Kumar Mishra  
**Company Secretary**  
FCS : 11269

**Encl:** As above

# PALASH SECURITIES LIMITED

CIN : L74120UP2015PLC069675

Registered Office: P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121

Email: palashsecurities@birlasugar.org Website: www.birla-sugar.com

Phone (05862) 256220 Fax (05862) 256225

## NOTICE

Notice is hereby given that the 10th Annual General Meeting (AGM) of the members of **PALASH SECURITIES LIMITED** (“the Company”) will be held on Friday, August 9, 2024 at 11.00 A.M. (IST), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following businesses:

### ORDINARY BUSINESS

#### 1. To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and Auditors thereon.
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Chand Bihari Patodia (DIN: 01389238), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 3. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended from time to time, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Suresh Kumar Khandelvia (DIN: 00373797) who holds office of Independent Director upto February 06, 2025 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from February 07, 2025 upto February 06, 2030.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded to the continuation of directorship of Mr. Suresh Kumar Khandelvia as a ‘Non-Executive Independent Director’ of the Company, for the said term of 5 years, notwithstanding that on January 03, 2026 he attains the age of 75 years during the aforesaid tenure.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Place: Kolkata  
Date: May 15, 2024

By Order of the Board of Directors  
For **Palash Securities Limited**

Vikram Kumar Mishra  
**Company Secretary**  
Membership No: F11269

**NOTES:**

1. The Ministry of Corporate Affairs ("MCA") vide its circular dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020, May 05, 2022, December 28, 2022 and September 25, 2023 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("the Meeting") through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Friday, August 9, 2024 at 11.00 a.m. (IST). Since the AGM is being held through VC/ OAVM facility, the route map is not annexed in this Notice. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the Act) setting out material facts concerning the business under Item No. 3 of the Notice is annexed hereto. The relevant details pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are also annexed.
3. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated 5th May 2020 issued by MCA, the matters of Special Business as appearing at Item No. 3 of the Notice is considered to be unavoidable by the Board and hence, forming part of this Notice.
4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) Regulation 44 of Listing Regulations (as amended), and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using a remote e-voting system as well as e-voting during the AGM will be provided by NSDL.
5. In terms of the MCA Circular No. 14/2020 dated April 08, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the requirement of sending Proxy Forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of the SEBI Listing Regulations, has been dispensed with. Therefore, the facility to appoint Proxy by the members will not be available and consequently, the Proxy Form and Attendance Slip are not annexed to this notice convening the 10th AGM of the Company (the "notice"). However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [goenkamohan@gmail.com](mailto:goenkamohan@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com)
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The Share Transfer Books and Register of Members of the Company will remain closed from Saturday, August 3, 2024 to Friday, August 9, 2024 (both days inclusive) for the purpose of the AGM.
9. In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India ("SEBI") circular dated May 12, 2020 and May 13, 2022 ("SEBI Circulars"), Notice of the Meeting along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website at [www.birla-sugar.com](http://www.birla-sugar.com), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. Link Intime India Private Limited ("RTA") having its office at Room Nos.: 502 & 503, 5th floor, Vaishno Chamber, 6 Brabourne Road, Kolkata – 700 001 is the Registrar and Share Transfer Agent ("RTA") of the Company.
11. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited for assistance in this regard.
12. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website of the Company.
13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
14. SEBI vide circular dated November 3, 2021 and December 14, 2021 has mandated furnishing of Permanent Account Number (PAN), KYC details (i.e. Postal Address with pin code, email address, mobile number, bank account details and Nomination / opt out of Nomination by holders of physical securities. Folios wherein any one of the abovementioned details are not registered by October 1, 2023 shall be frozen. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, to their DP in case the shares are held by them in dematerialized form and to Link Intime India Private Limited (RTA) in case the shares are held by them in physical form.

15. Members holding equity shares in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI., Folios wherein the shares held in physical mode and for which anyone documents of shareholders viz PAN, KYC, Bank account particulars, Specimen Signature update & Nomination form etc. is not available with RTA on or after October 01, 2023, shall be frozen pursuant to, SEBI Circular No. SEBI/HO/MIRSD/MIRSD-POd-1/P/CIR/2023/37 dated 16th March, 2023. Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from April 1, 2024 upon registering the required details. The RTA has sent communications to the concerned shareholders explaining the aforesaid requirements.
16. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13, to the RTA of the Company. Further, Members desirous of cancelling/varying nomination are requested to send their requests in Form ISR-3 or Form No. SH-14 as the case may be, to the RTA of the Company. The said forms can be downloaded from the Company's website at <https://www.birla-sugar.com/Shareholders-Info-1/Palash-Downloads>. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the Registrar at [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in) in case the shares are held in physical form, quoting your folio number.
17. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 2, 2024 through email on [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org). The same will be replied by the Company suitably.
20. The Register of Directors and Key Managerial Personnel and their Shareholding at the AGM, maintained under Section 170 of the Companies Act, 2013, shall be available for electronic inspection by the members during the AGM. All documents referred to in the Notice shall also be available for electronic inspection. Members seeking to inspect such documents can send an email to [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org)
21. **Instructions for e-voting and joining the AGM are as follows:**
  - I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
  - II. The remote e-voting period commences on Tuesday, August 6, 2024 (9:00 a.m. IST) and ends on Thursday, August 8, 2024 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, August 2, 2024 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
  - III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
  - IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date being August 2, 2024.
  - V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Tuesday, August 6, 2024 at 9:00 a.m. and ends on Thursday, August 8, 2024 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, August 2, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, August 2, 2024.

#### **How do I vote electronically using NSDL e-Voting system?**




*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

##### **Step 1: Access to NSDL e-Voting system**

###### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDEAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for <b>IDEAS</b> e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDEAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>"Login"</b> which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select EVEN of Palash Securities Limited to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [goenkamohan@gmail.com](mailto:goenkamohan@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.com](mailto:evoting@nsdl.com)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who may like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, may register themselves as a Speaker Shareholder in advance by sending a request from their registered email address mentioning their name, DP ID and Client ID number / folio number, Permanent Account Number ("PAN") and mobile number along with the questions they wish to ask to reach the Company's e-mail address at [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org) between July 27, 2024 (10:00 a.m. IST ) to August 02, 2024 (5:00 p.m. IST ) (both days inclusive). No communication / registration shall be entertained thereafter. Such questions by the Members shall be taken up during the AGM and suitably replied to by the Company. The Company will decide, at its due discretion, whether and how it will answer the questions. It can either club similar questions or summarize questions in the interest of the other Shareholders. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon the availability of time for smooth conduct of the AGM.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
8. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com) or call 022 - 4886 7000 and 022 - 2499 7000.
9. The Board of Directors has appointed Mr. Mohan Ram Goenka (holding Membership No. FCS 4515 and Certificate of Practice No. 2551), Practicing Company Secretary, as the Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner.
10. The Chairman/ person shall, at the end of discussion on the Resolutions on which voting are to be held, allow e-Voting for those Members present at the AGM but have not cast their votes through the remote e-Voting facility.
11. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman/ person of the Meeting or a person authorised by him/ her in writing, who shall countersign the same and declare the results of the voting forthwith.
12. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.birla-sugar.com](http://www.birla-sugar.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the results to BSE Ltd and National Stock Exchange of India Ltd where the shares of the Company are listed.
13. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.

## **EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

### **Item No. 3**

Mr. Suresh Kumar Khandelia was appointed as an Independent Director of the Company under the provisions of the Companies Act, 2013, with the approval of shareholders at their Annual General Meeting held on September 24, 2020, for a tenure of 5 years effective from February 07, 2020. His existing term expires on February 06, 2025. In accordance with Section 149 (10) and (11) of the Act, an Independent Director can hold office for two consecutive terms of upto five years each on the Board of a Company, subject to shareholders approving the second term by passing a special resolution. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with effect from January 01, 2022, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the re-appointment of Mr. Suresh Kumar Khandelia would require the approval of the members of the Company by way of special resolution at the ensuing Annual General Meeting. Further, as per Regulation 17(1A) of the Listing Regulations, with effect from April 01, 2019, no listed entity shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect. Mr. Suresh Kumar Khandelia shall attain the age of 75 years during the tenure of his second appointment. The Board recommends the re-appointment of Mr. Khandelia as an Independent Director of the Company for the second term from February 07, 2025 upto February 06, 2030, even though he would attain the prescribed age of 75 years on January 03, 2026 during the proposed second term of appointment. Accordingly, the approval of the Members of the Company is being sought by way of a Special Resolution.

The Board recommends this Resolution as Special Resolution for your approval.

By Order of the Board Directors  
For **Palash Securities Limited**

**Vikram Kumar Mishra**  
Company Secretary  
Membership No: F11269

Place: Kolkata  
Dated: May 15, 2024



**Particulars of Directors seeking appointment / re-appointment at the 10th Annual General Meeting**

<b>Name</b>	<b>Mr. Chand Bihari Patodia</b>	<b>Mr. Suresh Kumar Khandelia</b>
<b>DIN</b>	01389238	00373797
<b>Date of Birth and Age</b>	23.04.1948 and 75 years	03.01.1951 and 73 years
<b>Nationality</b>	Indian	Indian
<b>Brief Profile covering experience</b>	Mr. Chand Bihari Patodia, possesses rich experience of over 42 years in various capacities especially involving planning, institutional strengthening including restructuring of organization, motivation of employees for better output, public relation and resolution of disputes etc.	Mr. Suresh Kumar Khandelia is a qualified Chartered Accountant. He possess rich experience in the textile Industry. He is also on the Board of Confederation of Indian Textile Industry (CITI). He has also served as Committee of Administration, Member of SRTEPC and President of Indian Spinners' Association (ISA), Co-Chairman of FICCI Textiles Committee and the Managing Committees of Texprocil and Textile Sector Skill Council.
<b>Date of first appointment on the Board</b>	23.03.2015	07.02.2020
<b>Terms &amp; Conditions of appointment/re-appointment</b>	Liable to retire by rotation	Not liable to retire by rotation
<b>Inter-se relationship</b>	None	None
<b>Shareholding</b>	Nil	Nil
<b>Detail of Remuneration sought to be paid</b>	Nil	Nil
<b>Last drawn Remuneration</b>	Nil	Nil
<b>No of meetings of the Board attended during the financial year (2023-24)</b>	4	4
<b>Directorship in other Companies</b>	<ol style="list-style-type: none"> <li>1. JKM Engineering Private Limited</li> <li>2. Patodia Foods &amp; Flavours Pvt Ltd</li> <li>3. Morton Foods Limited</li> <li>4. Sunlight Fuels Pvt Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. Morton Foods Limited</li> <li>2. SMAA Enterprises Pvt Ltd</li> <li>3. Blend Financial Solutions Pvt. Ltd.</li> <li>4. SIL International Pte Ltd.</li> <li>5. Confederation of Indian Textile Industry</li> <li>6. Ekal Shrihari Vanvasi Foundation</li> </ol>
<b>Chairmanship/Memberships of the Committees of other Companies</b>	Member in the Audit Committee and Nomination & Remuneration Committee of Morton Foods Limited.	Chairman in the Audit Committee and Nomination & Remuneration Committee of Morton Foods Limited.
<b>The Listed entity from which Director has resigned in last three years</b>	None	None

By Order of the Board Directors  
For **Palash Securities Limited**

**Vikram Kumar Mishra**  
Company Secretary  
Membership No: F11269

Place: Kolkata  
Dated: May 15, 2024







## Corporate Information

### Board of Directors

Mrs. Shalini Nopany, Chairperson  
Mr. Arun Kumar Newar  
Mr. Chhedilal Agarwal  
Mr. Dinesh Kacholia  
Mr. Suresh Kumar Khandelia  
Mr. Chand Bihari Patodia, Managing Director

### Committees of Directors

#### Audit Committee

Mr. Chhedilal Agarwal - Chairman  
Mr. Arun Kumar Newar  
Mr. Dinesh Kacholia  
Mr. Chand Bihari Patodia

#### Stakeholders' Relationship Committee

Mr. Chhedilal Agarwal - Chairman  
Mr. Arun Kumar Newar  
Mr. Dinesh Kacholia

#### Nomination and Remuneration Committee

Mr. Arun Kumar Newar - Chairman  
Mr. Dinesh Kacholia  
Mr. Chhedilal Agarwal

#### Key Managerial Personnel

Mr. Chand Bihari Patodia, Managing Director  
Mr. Deepak Kumar Sharma, Chief Financial Officer  
Mr. Vikram Kumar Mishra, Company Secretary

### Auditors

M/s Agrawal Subodh & Co.  
Chartered Accountants  
3 Victory House, 1 Ganesh Chandra Avenue  
Kolkata - 700 001

### Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.  
(Unit : Palash Securities Limited)  
Room Nos.: 502 & 503, 5th floor  
Vaishno Chamber, 6 Brabourne Road, Kolkata – 700 001  
Tel Nos : 033 4004 9728 / 033 4073 1698  
Fax No. : 033 4073 1698  
Email : [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)

### Registered Office

P. O. Hargaon, District – Sitapur, (U. P.)  
Pin Code – 261 121  
Tel. No. : (05862) 256220, Fax No. : (05862) 256225  
E-mail : [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org)  
Website : [www.birla-sugar.com](http://www.birla-sugar.com)  
CIN – L74120UP2015PLC069675

### Corporate & Head Office

Birla Building  
9/1, R.N. Mukherjee Road, 5th Floor, Kolkata - 700 001  
Tel. No. (033) 2243 0497/8, Fax No.: (033) 2248 6369  
E-mail : [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org)  
Website : [www.birla-sugar.com](http://www.birla-sugar.com)

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## Directors' Report

Dear Members,

Your Directors present herewith the 10th Annual Report on the business & operations of the Company alongwith the Audited Statement of Accounts for the financial year ended 31st March, 2024.

### 1. Financial Results

A summary of standalone and consolidated Financial Performance of the Company for the financial year ended on 31st March 2024, are summarized below:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2024	Year ended 3 1st March, 2023
Total Revenue from Operations	23.31	484.41	4094.90	5319.40
Other Income	35.49	37.84	41.57	74.82
Total Income	58.80	522.25	4136.47	5394.22
Profit before Finance Costs, Tax, Depreciation and Amortization	25.93	480.48	(1103.21)	(1077.33)
Less: Depreciation & Amortization Expenses	1.73	2.05	71.93	79.21
Less: Finance Cost	3.57	10.72	258.48	298.03
Profit/(Loss) Before Tax	20.63	467.71	(1433.62)	(1454.57)
Profit/(Loss) After Tax	16.36	426.34	(1576.02)	(1625.73)

### 2. Operating Performance / State of Affairs of the Company

Details on the state of affairs of the Company are covered in the Management Discussion and Analysis Report.

A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussion & Analysis Report which is made an integral part of this Report and marked as **Annexure "A"**

### 3. Financial Performance 2023-24

During the Financial Year 2023-24, the Company incurred a profit after tax of Rs. 16.36 lakhs on standalone basis. On consolidated basis the loss after tax stood at Rs. 5394.22 lakhs.

There is no change in the nature of business of the Company. There were no significant or material orders passed by regulators, courts or tribunals impacting the Company's operation in future.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31st March 2024 and date of this report.

### 4. Dividend

The Board of Director did not recommend any dividend on equity shares for the period under review.

### 5. Amount transferred to Reserves

The Company has transferred of Rs. 16.36 Lakhs to the general reserves for the financial year under review.



## 6. Public Deposits

The Company has not accepted any deposits from the public and as such there are no outstanding deposits within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules 2014.

## 7. Share Capital

As on 31st March, 2024, the Authorized Share Capital of the Company stood at Rs. 15,00,00,000/- (Rupees fifteen crore) divided into 1,35,00,000 (One crore thirty five lakhs) Equity Shares of Rs. 10/- (Rupees ten) each and 15,00,000 (Fifteen Lakhs) Preference Shares of Rs.10/- each and there is no change in the authorised capital during the year. Paid up Share capital comprised of 1,00,03,102 Equity Shares with a face value of Rs.10/- each totaling to Rs.10,00,31,020/- (Rupees ten crore thirty one thousand twenty).

During the year under review, the Board of Directors vide its resolution dated May 11, 2023, has redeemed in full the 13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares ('NCCRPS') of Rs. 10/- (Rupees ten) each, aggregating to Rs. 1,30,00,000/- (Rupees One Crore Thirty Lakhs) along with accrued dividends thereon.

Your Company has not issued any shares/securities during the Financial Year 2023-24.

## 8. Subsidiary, Associate and Joint Venture

As on 31st March, 2024, the Company has 5 (five) subsidiaries named as Morton Foods Limited, Champaran Marketing Co. Ltd, Hargaon Investment & Trading Co. Ltd, OSM Investment & Trading Co. Ltd and Hargaon Properties Ltd. The Company has in place a policy for determining material subsidiaries in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and can be accessed at <https://www.birla-sugar.com/Assets/Palash/Policy%20for%20Determining%20Material%20Subsidiary-29-5-24.pdf> The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the details containing salient features of the financial statement of subsidiary companies in Form AOC-1 forms part of this Report and marked as **Annexure "F"**.

## 9. Human Resources

The Company continued to create a productive, learning and caring environment by implementing robust and comprehensive HR processes, fair transparent performance evaluation and taking new initiatives to further align its Human Resource policies to meet the growing needs of its business.

## 10. Directors

The Board comprises of 5 (five) Non-Executive Directors having experience in varied fields and 1 (one) Executive Director. Out of five Non-Executive Directors, four of them are Independent Directors. Mrs. Shalini Nopany, Non-Executive Woman Director is the Chairperson of the Company.

Mr. Chand Bihari Patodia (DIN: 01389238) will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re- appointment as Director of the Company in terms of Section 152(6) of the Companies Act, 2013.

The tenure of Mr. Suresh Kumar Khandelia is expiring in 7th February, 2025 and he has been proposed to be re-appointed as Independent Director in the Company for a further period of five years at the ensuing Annual General Meeting.

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR) Regulations, 2015. Declarations have also been received by all the appointed Independent Directors of the Company with regard to registration on the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs, Manesar (Haryana) in accordance with the provisions of Section 150 of the Companies Act, 2013.

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective

evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Company. After detailed discussion at Board level as well as taking input from each Director, Nomination and Remuneration Committee finalized the format / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors including the Chairperson of the Company was carried out for the Financial Year 2023-24. Nomination and Remuneration Committee evaluated the performance of the individual Directors.

The Independent Directors in their separate meeting held on 14th February, 2024 carried out the evaluation of the Board of Directors as a whole, Chairperson of the Company and Non-Independent Directors. The evaluation of Independent Directors was carried out without the presence of concerned Director.

The Chairman of Nomination and Remuneration Committee has submitted report of the respective evaluations to the Chairperson of the Company. Based on the questionnaires received from the Directors and considering the reports of Chairman of Nomination and Remuneration Committee, the Board has evaluated its own performance and that of its committees and individual directors including independent directors.

## 11. Key Managerial Personnel

The following directors / executives of your Company are whole-time Key Managerial Personnel (KMPs) as on 31st March, 2024 in accordance with the provisions of Section 203 of the Companies Act, 2013:

- a) Mr. Chand Bihari Patodia - Managing Director
- b) Mr. Deepak Kumar Sharma – Chief Financial Officer
- c) Mr. Vikram Kumar Mishra – Company Secretary

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to Directors & employees of the Company and a declaration to the said effect made by the Managing Director forms part of this report. The Code is available on the Company's website at the weblink <http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>

## 12. Remuneration Policy

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy as adopted by the Board of Directors is available on the weblink <https://www.birla-sugar.com/Assets/Palash/Nomination%20and%20Remuneration%20Policy-29-5-24.pdf> The Nomination & Remuneration Committee has also framed criteria for performance evaluation of every Director and accordingly has carried out the performance evaluation during the year under review.

The Nomination and Remuneration Policy, inter-alia, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy and remuneration structure & components, etc. of the Directors, Key Managerial Personnel (KMP) and other senior management personnel of the Company. The Nomination and Remuneration Policy also contains provisions about the payment of fixed & variable components of remuneration to the Whole-time Director/Managing Director and payment of sitting fee & commission to the non-executive directors.

## 13. Familiarisation Programme

Periodic presentations are made at the Board Meetings with respect to business performance and updates on business strategy of the Company. The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Director are uploaded on the website of the Company that can be accessed at <https://www.birla-sugar.com/Assets/Palash/Familiarisation%20Programme%202023-24.pdf>

Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, duties and responsibilities. The format of such letter of appointment is also available at the website of the Company at <https://www.birla-sugar.com/Assets/Palash/Terms%20and%20conditions%20of%20appointment%20of%20Independent%20Directors.pdf>



## 14. Corporate Social Responsibility Policy

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

## 15. Meetings

A calendar of Meeting is prepared and circulated in advance to the Directors. The Board evaluates all the decisions on a collective consensus basis amongst the Directors. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the financial year ended 31st March 2024, 4 (Four) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the financial year 2023-24 have been furnished in the Corporate Governance Report which forms part of this Annual Report.

The Company has complied with the applicable Secretarial Standards prescribed under Section 118(10) of the Companies Act, 2013.

## 16. Audit Committee

The Audit Committee was constituted on 30th March, 2017. The Committee comprised of Mr. Chhedi Lal Agarwal, Mr. Dinesh Kacholia, Mr. Arun Kumar Newar, Independent Directors and Mr. Chand Bihari Patodia, Managing Director. Mr. Chhedi Lal Agarwal, Independent Director acts as the Chairman of the Audit Committee and the Company Secretary acts as the Secretary to the Committee. Chief Financial Officer is a permanent invitee to the meetings. During the year there were no instances where Board has not accepted the recommendation of Audit Committee.

The details of the terms of reference, number and dates of meetings held during the financial year 2023-24, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

## 17. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted on 30th March, 2017. The Committee comprised of Mr. Chhedi Lal Agarwal, Mr. Arun Kumar Newar, and Mr. Dinesh Kacholia. Mr. Chhedi Lal Agarwal, Independent Director acts as the Chairman of the Stakeholders' Relationship Committee and the Company Secretary acts as the Secretary to the Committee.

The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

## 18. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on 30th March, 2017. The Committee comprised of Mr. Chhedi Lal Agarwal, Mr. Arun Kumar Newar, and Mr. Dinesh Kacholia. Mr. Arun Kumar Newar, Independent Director acts as the Chairman of the Nomination & Remuneration Committee and the Company Secretary acts as the Secretary to the Committee.

The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

## 19. Loans, Guarantee and Investments

During the year under review, the Company has not given any loans and corporate guarantees covered under the provisions of Section 186 of the Companies Act, 2013. Details on particulars relating to investments under Section 186 of the Companies Act 2013 are given in Notes of the financial statements.

## 20. Related Party Contracts / Arrangements

All Related Party Transactions entered during the year were on arm's length basis and in the ordinary course of business. There have been no materially-significant related party transactions made by the Company with the Promoters, the Directors or the Key Managerial Personnel which may be in conflict with the interests of the Company at large. Accordingly, disclosure of contracts or arrangements with Related Parties as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.



The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions and accordingly all Related Party Transactions are placed before the Audit Committee and the Board for approval. The Related Party Transaction Policy appears on the Company's website at <https://www.birla-sugar.com/Assets/Palash/Policy%20on%20Related%20Party%20Transaction.pdf>

The details of related party transactions entered during the year as per the provisions of Indian Accounting Standard ("Ind AS") 24 have been disclosed in the Notes to the Financial Statements.

## 21. Suspense Escrow Demat Account

The Company has opened a Suspense Escrow Demat Account with Depository Participants In accordance with SEBI circular and guidelines for crediting unclaimed shares in dematerialised form lying in the Company's Demat Suspense Account.

## 22. Risk Management

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

## 23. Internal Financial Controls

The Company has laid down internal financial control's, through a combination of Entity level controls, Process level controls and IT General controls inter-alia to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/information, safeguarding of assets, prevention and detection of frauds and errors. The evaluations of these internal financial controls were done through the internal audit process and were also reviewed by the Statutory Auditors. Based on their view of these reported evaluations, the directors confirm that, for the preparation of financial statements for the financial year ended 31st March, 2024, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively & that no significant deficiencies were noticed.

## 24. Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism and adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and instances of leak of Unpublished Price Sensitive Information which are detrimental to the Company's interest. The vigil mechanism provides for adequate safeguards against victimization of the Director(s) and employee(s) who avail of this mechanism. No person has been denied access to the Chairman of the Audit Committee. The Whistle-Blower Policy of the Company can be accessed on the Company's website at <https://www.birla-sugar.com/Assets/Palash/Whistle-Blower-Policy-Palash-29-5-24.pdf>

## 25. Corporate Governance & Annual Return

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2023-24 is attached as **Annexure "B"** to this Report.

The declaration of the Managing Director confirming compliance with the 'Code of Conduct' of the Company is enclosed as **Annexure "C"** to this Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance is enclosed as **Annexure "D"** to this Report

The Company's Annual Return in Form MGT-7 can be viewed on the Company's website and can be accessed at <https://www.birla-sugar.com/Shareholders-Info-1/Palash-Annual>Returns>

## 26. Auditors, Audit Qualifications and Board's Explanations

### Statutory Auditors

In terms of Section 139 of the Companies Act, 2013 read with rules thereunder, Messrs. Agrawal Subodh Co., Chartered Accountants, (Firm Registration No: 319260E), were re-appointed as the Statutory Auditors of the Company for another term of 5(five) years to hold office from the conclusion of the 7th AGM till the conclusion of the 12th AGM to be held in the year 2026.



The Statutory Auditors' Report on the financial statements for financial year 2023-24 forms part of this Annual Report. Statutory Auditors have expressed their unmodified opinion on the Standalone Financial Statements and their reports do not contain any qualifications, reservations, adverse remarks, or disclaimers.

However, the Auditors Report on Consolidated financial statements, contains a qualified opinion carried out from the audit report of M/s. Morton Foods Limited (MFL), one of subsidiaries of the Company, MFL had recognized Deferred Tax Asset (net) of Rs. 450.53 Lakhs for the year ended in March 31, 2022, based on the future profitability projections made by the Management. MFL, however, has not recognized any further DTA during the current year ended March 31 2024 and for the previous year ended in March 31, 2023 as a matter of prudence. In the opinion of the auditors of MFL, in the absence of convincing evidence that sufficient taxable profit will be available in future against which the unused losses can be utilized by the entity, as required in terms of Indian Accounting Standard 12, had the MFL reversed the above DTA, loss before tax for the year ended March 31, 2024 would have been Rs. 2,453.19 lakhs as against the reported loss of Rs. 2,002.66 lakhs and other equity would have been Rs. (242.73) lakhs as against the reported figure of Rs. 207.80 lakhs.

The management of the MFL is confident that there would be sufficient taxable income in future to claim the tax benefit.

The Statutory Auditors hold valid certificate issued by the Peer Review Board of the ICAI, as required under Regulation 33 of SEBI (LODR) Regulations, 2015.

### **Statement on Impact of Audit Qualifications**

#### ***Secretarial Auditor***

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report is annexed herewith as **Annexure "E"**. The Report does not contain any qualification, reservation or adverse remark.

In addition to the above, pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Audit Reports of the material unlisted subsidiaries of the Company viz-a-viz Morton Foods Limited, Champaran Marketing Co Ltd, Hargaon Investment & Trading Co. Ltd and OSM Investment & Trading Co Ltd is annexed herewith as **Annexure "E1", Annexure "E2", Annexure "E3" & Annexure "E4"** respectively, which is self-explanatory.

#### ***Internal Auditor***

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, your Company has, on the recommendation of the Audit Committee re-appointed Messrs M Parasrampur & Co., Chartered Accountants to conduct Internal Audit of the Company for the financial year 2024-25.

#### ***Cost Audit***

The Companies (Cost Records and Audit) Rules are not applicable on the Company.

#### ***Reporting of frauds by Auditors***

During the year under review, the Statutory Auditors and Secretarial Auditor of your Company have not reported any instances of fraud committed in your Company by the Company's officers or employees to the Audit Committee, as required under Section 143(12) of the Act.

## **27. Investor Education and Protection Fund**

The provisions pertaining to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, are not applicable to your company.

## **28. Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013**

During the year under review, no complaint / case was either filed or pending pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 29. Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

The provisions of Section 134(3)(m) of the Companies Act, 2013 do not apply to the Company. There was no foreign exchange inflow or outflow during the year under review.

## 30. Particulars of Employees and Managerial Remuneration

There was no employee in the Company who was in receipt of remuneration as required to be disclosed under section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 31. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit/loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 32. CEO/CFO Certification

Mr. Chand Bihari Patodia, Managing Director and Mr. Deepak Kumar Sharma, Chief Financial Officer have submitted certificates to the Board as contemplated under Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## 33. Other Disclosures

- a) There is neither application nor any proceeding pending under the insolvency and bankruptcy code 2016 during the year along with their status as at the end of the financial year.
- b) There has been no instance of any bank or financial institutions one-time settlement.

## 34. Acknowledgement

Your Directors wish to express their sincere thanks to the bankers and other stakeholders for their continued co-operation and assistance.

Place: Kolkata  
Dated: 15th May, 2024

For and on behalf of the Board

**Shalini Nopany**  
Chairperson  
DIN: 00077299



## Annexure A

### Management & Discussion Analysis

#### Economic Overview:

The global economic landscape from 2023 to 2024 has been significantly shaped by various factors, including the ongoing war of Russia – Ukraine and conflicts in the Middle East, inflationary pressures, supply chain disruptions, and shifting consumer behaviors. Both the Fast-Moving Consumer Goods (FMCG) and investment sectors have felt these impacts, necessitating strategic adaptations and forward-thinking approaches.

The world economy to continue growing at 3.2% during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies-where growth is expected to rise from 1.6% in 2023 to 1.7 % in 2024 and 1.8% in 2025, will be offset by a modest slowdown in emerging market and developing economies from 4.3% in 2023 to 4.2% in both 2024 and 2025. The forecast for global growth five years from now at 3.1 % is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. Global economic recovery remains uneven, with advanced economies experiencing slight growth acceleration, while emerging markets face a modest slowdown. This divergence will impact the food industry differently across regions, with developed markets potentially seeing steadier demand growth compared to emerging economies.

The Indian food services sector is poised for robust growth, with a projected Compound Annual Growth Rate (CAGR) of 8.1% between 2024 and 2028. This growth is expected to be driven by many factors, including rapid urbanization, strong GDP growth, a growing young population, and increased consumer exposure. The sector currently contributes 1.9% to India's GDP. It is expected to grow to US\$ 93.16 billion i.e. Rs. 7.76 trillion by 2028, up from US\$ 68.31 billion i.e. Rs. 5.69 trillion. Despite the setbacks experienced during the COVID-19 pandemic, the industry has demonstrated remarkable resilience, underlining the need for the government to recognize its socio-economic impact and take immediate steps to unlock its full potential.

The organized segment of the food services industry is expected to grow at a CAGR of 13.2%, achieving a market share of 52.9% by 2028. Within the organized sector, casual dining restaurants are the fastest-growing, with a 48% market share, followed by quick-service restaurants (QSRs) at 27%. By 2028, it is anticipated that QSRs will gain market share by approximately 4-5% points at the expense of casual dining restaurants. The sector is also the second-biggest employer, with 8.5 million employees currently expected to increase by over 20% to 10.3 million by 2028. The industry has also witnessed rapid growth in the online food delivery market, with an estimated 6.6 crore food delivery platform users among the urban population, showcasing the changing consumption patterns driven by convenience.

#### Industry Structure and Developments

The Company is in the investment business and your company holds majority investments in its group companies. Apart from its operations in investment in securities including through its Wholly Owned Subsidiaries, the Company also continues to be engaged in business of food processing through its subsidiary Company Morton Foods Limited. The company manufactures and markets canned fruits, vegetables and food products like jams, squashes, crushes, vegetable sauces, juices and breakfast cereals under the brand Morton since 1959. To maximize sales, the company is increasing its customer base and focusing more on both retail business and e-commerce. Additionally, it has initiated the process to launch new products that will offer higher margins and eliminate the need for seasonal stocking.

The company has a manufacturing unit at Prayagraj which makes Canned fruits and vegetables, Jams, Crush & Squashes, Tomato Ketchup and Vegetable sauces etc. Breakfast cereals and Pasta, Vermicelli are manufactured by third party manufacturer and Morton Foods Ltd markets it under the brand Name Morton.

#### Morton Foods Ltd services and operates in the following customer segments:

- 1) General Trade / Kirana
- 2) Modern Trade
- 3) Horeca – Hotel Restaurant and Catering
- 4) E commerce – Amazon, Flipkart , Big Basket ,
- 5) Central Police Canteen Stores
- 6) Institutions – Taj , Hayat , Specialty Restaurants etc.
- 7) Defense APO – Canned fruits, Vegetables and curries for in-house consumption.

The country's financial services sector consists of capital markets, insurance sector, banking and non-banking financial companies (NBFCs). According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to reach USD 5 trillion, surpassing the UK, and become the fifth largest stock market worldwide.

Non-banking financial companies (NBFCs), banks, and financial institutions form the broad constituents of the credit ecosystem of the Indian financial sector, with NBFCs being a key pillar therein. The Non-Banking Financial Companies (NBFC) sector in India has experienced significant growth and

transformation over the past decade, becoming an integral part of the Indian financial system. In FY 2023-24, the sector continued to play a crucial role in providing credit to various sectors of the economy, particularly underserved segments. Despite facing several challenges, including regulatory changes and market volatility, NBFCs have shown resilience and adaptability. The Reserve Bank of India (RBI) introduced several regulatory changes aimed at strengthening the sector's resilience. Key measures included tighter asset classification norms, enhanced disclosure requirements, and stricter liquidity management guidelines. NBFCs continued to invest in digital technologies to enhance operational efficiency and customer experience. The adoption of digital lending platforms and fintech partnerships played a pivotal role in expanding their reach and reducing operational costs.

India's food processing sector is one of the largest in the world and its output is expected to reach \$535 Billion by FY2025-26. The Food Processing sector in India has a quintessential role in linking Indian farmers to consumers in the domestic and international markets. The Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments across the value chain. The food processing industry has a share of 12.38% in the employment generated in all Registered Factory sector engaging approximately 1.93 Million people. Unregistered food processing sector supports employment to 5.1 Million workers as per the NSSO 73rd Round report. Major sectors constituting the food processing industry in India are grains, sugar, edible oils, beverages, and dairy products.

### **Opportunities and Threats.**

Your Company being an Investment Company seeks opportunities in the capital market. The unpredictability in the stock market represents both opportunity as well as challenges for the Company. The Indian capital market witnessed a dynamic year in FY 2023-24, characterized by robust economic growth, significant regulatory reforms, technological advancements, and increased participation from retail and institutional investors. Despite global economic uncertainties, the market demonstrated resilience and continued to attract substantial domestic and foreign investment. The benchmark indices, BSE Sensex and NSE Nifty, reached new highs during the fiscal year, reflecting strong investor confidence and positive economic outlook. Strong GDP growth projections (7-8%) are expected to drive increased investor confidence and capital inflows into the Indian capital market. However, the market must navigate challenges such as global economic uncertainty, inflationary pressures, and the need for improved corporate governance to sustain its growth trajectory.

The food processing industry is a high growth industry and the same applies for it in Indian market. The government of India has acknowledged the food processing sector as a high priority industry and is currently promoting it with various fiscal reliefs and incentives. India has one of the largest working populations in the world. With increasing disposable incomes, this segment can be regarded as the biggest consumer of processed foods in the country. There are various threats to the Company like market Competition that forces the Company to sell its product at low cost. This also led to loss to the Company. On the other hand, raw material is based on agricultural produce which is affected by natural calamities, which deteriorate the quality of the product, which is the major threat to the Company. Also external situation like Cross-border emergencies and wars also affect the business.

### **Risks and Concerns:**

The Company is exposed to specific risks that are particular to their respective businesses in which they operate, including market risk, credit risk, liquidity risk, interest rate risk, equity risk, operational risk, currency risk, regulatory and macro-economic risks. The Company has a robust risk management framework that strives to identify, monitor and minimize risks as also identify business opportunities.

### **Outlook**

India's economic growth is expected to remain robust in 2024 and 2025, with multiple sources highlighting a positive outlook. For 2024, India's real GDP growth rate is projected to be 8.2%, up from 7.0% in 2023. This growth is driven by strong domestic demand, increased investment activities, and improvements in key economic indicators such as industrial production, agricultural output, and inflation management. The financial year 2024-25 also sees a significant boost in capital expenditure, indicating strong government support for infrastructure and development projects. Additionally, the Economist Intelligence Unit (EIU) forecasts that India will be the fastest-growing major economy from 2024 to 2028, outpacing China's growth. This projection underscores India's rising economic influence and its significant role within the BRICS nations, potentially leading to their collective nominal GDP surpassing that of the G7 by the mid-2040s. However despite these positive projections, there are certain risks that could impact growth, such as geopolitical tensions and potential disruptions in global supply chains. Additionally, China's economic challenges, particularly in its property sector, remain a concern for the overall regional growth outlook.

The outlook for the NBFC sector in FY 2024-25 is cautiously optimistic. Key factors influencing the sector's performance include economic growth, digital initiatives, regulatory support, funding diversification and focus on niche segments.

### **Performance**

The Company operates in single segment which is to invest, deal etc. in securities. The businesses of the Company are carried out by its five Wholly-owned Subsidiaries/ Subsidiaries. The first three are wholly owned subsidiaries of the Company viz: OSM Investment & Trading Company Limited; Champaran Marketing Company Limited; Hargaon Investment & Trading Company Limited and these are registered NBFCs and primarily engaged in investment



activities and whereas Hargaon Properties Limited is a step down subsidiary engaged in investment of properties. Another Subsidiary Morton Foods Limited is engaged in the Food Processing Business.

During the Financial Year 2023-24, the Company incurred a profit after tax of Rs. 16.36 lakhs on standalone basis. On consolidated basis the loss after tax stood at Rs. 1576.02 lakhs. During the Financial Year 2023-2024, the Company's production decreased from 3,707 MT to approximately 2,225 MT, a reduction of about 40%, due to lower sales in the HoReCa and Retail trade sectors. Correspondingly, sales decreased from Rs. 4,538 lakhs to Rs. 3,501 lakhs, approximately 22%. However, the Company's loss reduced from Rs. 2,199 lakhs to Rs. 2,003 lakhs, an improvement of about 9%. The loss for the current year was impacted by the write-off of old stock worth Rs. 96 lakhs, a provision for old and expired stock worth Rs. 202 lakhs, and a provision for damages in the market worth Rs 113 lakhs. If these provisions, totaling Rs. 411 lakhs, are excluded, the loss would decrease by more than 20% in percentage terms.

The Company aims to create sustainable vision to grow the business and make long-term strategic investments in various new ventures promoted by the Company and its subsidiaries.

## Disclosure

The Disclosure w.r.t. details of significant changes in key financial ratios as stipulated under Regulation 34(3) read with Schedule V Clause B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Sr. No	Particulars	31.03.2024	31.03.2023	Change(%)	Explanation
(i)	Debtors Turnover Ratio	0	0	0	--
(ii)	Inventory Turnover Ratio	0	0	0	--
(iii)	Interest Coverage Ratio	7.26%	44.82%	(83.79)%	Due to decrease in Profits
(iv)	Current Ratio	53.77%	80.90%	33.53%	Due to redemption of Preference shares
(v)	Debt Equity Ratio	0.00%	8.55%	(100)%	Due to redemption of Preference shares
(vi)	Operating Profit Margin (%)	88.50%	96.55%	(8.34)%	--
(vii)	Net Profit Margin (%)	27.82%	81.64%	(65.92)%	Due to decrease in Profits
(viii)	Return on Net Worth	0.53%	14.07%	(96.27)%	Due to decrease in Profits

## Internal Control Systems and Their Adequacy

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. The Internal Auditors were suggested with audit plan based on the risk profile of business activities of the organization, which were approved by the Audit Committee. The adequacy of the internal control system is reviewed by the Audit Committee of the Board of Directors. The efficacy of the internal checks and control systems are verified by the Internal Auditors as well as the Statutory Auditors. The Audit Committee reviews the internal audit plan, adequacy and effectiveness of the internal control system, significant audit observations and monitors the sustainability of remedial measures. The performance of the Company is regularly viewed by the Board of Directors to ensure that it is in keeping with the overall corporate policy and in line with pre-set objectives. The Company updates its internal control systems from time to time, enabling it to monitor adherence to internal procedures and external regulatory guidelines.

## Human Resources

Steps have been taken to inculcate a performance-oriented culture by focusing and laying more emphasis on the performance management system. It has been Company's endeavour to attract talent from the most reputed institutions to meet the requirements of various functions. The Company will intensify efforts to create an environment where everyone feels valued, respected, and empowered to contribute their unique perceptions.

## Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's outlook, objectives, projections, estimates and expectations may be 'forward looking statement' within the meaning of applicable laws or regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include government regulations and tax-regime, economic developments within India and abroad, financial markets and other related and incidental factors. The Company assumes no responsibility in respect of forward-looking statements that may be revised or modified in future on the basis of subsequent developments, information or events. The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards notified under Section 133 of the Act read with the Indian Accounting Standards Rules, 2015. The management has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit/loss for the year. The narrative on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

## Annexure B

### Report on Corporate Governance

#### 1. Company's Philosophy

Palash Securities Limited (PSL), a part of K K Birla Group of Companies, firmly believes that Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objective of the organization most effectively and efficiently. Corporate Governance in fact denotes acceptance by the management of the inalienable rights of the shareholders as true owners of the organization and of their own role as trustees on behalf of the shareholders.

By harnessing ethical values with business acumen the executive functions of PSL is structured to institutionalize policies and practices that enhance the efficacy of the Board, Key Managerial Personnel and the Senior Management of the Company and inculcate a culture of accountability, transparency and integrity across the Company as a whole. PSL has a strong legacy of fair, transparent and ethical Governance practices and procedures and through these pages renews its commitment to uphold and nurture the core values of integrity, passion, responsibility, quality and respect in dealing with its customers, cane growers and other stakeholders of the Company. The other enablers for the Company are 'team work' and 'adherence' to professionalism.

PSL is also in compliance with the mandatory requirements of the guidelines on Corporate Governance stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

PSL has adopted a Code of Conduct for Prevention of Insider Trading, 2015 in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

#### 2. Board of Directors

The Board of Directors serves as the highest authority in governance, steering business in the right direction. It is responsible for establishing sustainable and accountable growth in the Company. The Board comprising of highly integrated, knowledgeable, and committed professionals, offers strategic guidance and independent perspectives to the Company's senior management while fulfilling its fiduciary responsibilities. Additionally, the Board provides direction and maintains appropriate control to ensure the Company is managed in a way that meets stakeholders' aspirations and societal expectations.

- i. The Company has in all 6 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 6 directors, 4 are Non-Executive Independent Directors, 1 Non-Executive Woman Director and 1 Executive Director of the Company. The composition of the Board is in conformity with the Listing Regulations. The Board is headed by the Non-Executive Chairperson Mrs. Shalini Nopany.
- ii. The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the meetings and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, promoter group, its directors, management, subsidiaries or associates.
- iii. As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of SEBI (LODR) Regulations, 2015 as well as not have been debarred or disqualified from being appointed or continuing as director by SEBI/MCA or any other statutory authority. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.
- iv. The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Section 149(7) of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR) Regulations, 2015.



- v. All Independent Directors have confirmed in their Annual Declaration to the Board that they have complied with all the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. Independent Directors do not serve in more than 7 listed companies. They have taken registration with Independent Directors databank, Indian Institute of Corporate Affairs, Manesar (Haryana) in accordance with the provisions of Section 150 of the Companies Act, 2013.
- vi. None of the Directors on the Board are inter-related to each other in terms of the definition of 'relative' given under the Companies Act, 2013.
- vii. The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- viii. The Independent Directors (IDs) met on 14th February, 2024 without the presence of the Chairperson, Managing Director, the Non-Executive Non-Independent Directors and the Management Team. The meeting was attended by Independent Directors in person and which enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the performance of non-independent directors, chairperson and the Board as a whole as well as the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Board is of the opinion that independent directors fulfills the conditions specified in the Listing Regulations as amended from time to time and are independent of the management.
- ix. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company. These are presented as a matrix below:

Description of Skills/Expertise/Competencies		Mrs. Shalini Nopany	Mr. Chand Bihari Patodia	Mr. Dinesh Kacholia	Mr. Chhedi Lal Agarwal	Mr Arun Kumar Newar	Mr Suresh Kumar Khandelia
Business	Understanding of Company's business dynamics across various geographical markets, industry verticals and regulatory jurisdictions	Yes	Yes	Yes	Yes	Yes	Yes
Strategy and Planning	Ability to think strategically, identify and critically assess strategic opportunities and threats and develop effective strategies in the context of strategic objectives of the Company's policies and priorities	Yes	Yes	Yes	Yes	Yes	Yes
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, protecting shareholder interest, maintaining board and management accountability and driving corporate ethics and values.	Yes	Yes	Yes	Yes	Yes	Yes

### Familiarisation Programme

In terms of Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. As a part of the familiarisation programme, presentation was made to the Independent Directors giving a brief overview of roles, responsibilities and liabilities of Independent Directors under Corporate Governance norms with focus on constitution of various Committees under the Companies Act, 2013.



Significant Statutory updates are circulated as a part of the agenda of the Board Meetings through which Directors are made aware of the significant new developments and highlights from various regulatory authorities viz. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), other statutory authority etc.

The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Director are uploaded on the website of the Company at <https://www.birla-sugar.com/Assets/Palash/Familiarisation%20Programme%202023-24.pdf>

## Performance Evaluation

The Company had in place a policy on Performance Evaluation wherein it had laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors and Chairperson) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015 covering inter-alia the following parameters namely:

- i. For Board Evaluation - degree of fulfillment of key responsibilities; Board culture and dynamics.
- ii. Board Committee Evaluation - effectiveness of meetings; Committee dynamics.
- iii. Individual Director Evaluation (including IDs) - contribution at Board Meetings.

Further, the Chairperson is evaluated on key aspects of her role which includes inter- alia effective leadership to the Board and adequate guidance to the Managing Director.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Member and Board Committees based on the criteria per Policy on Performance Evaluation and in context of the Guidance note dated January 05, 2017 issued by SEBI.

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Individual Directors (including Independent Directors) was evaluated and found to be satisfactory.

During the year under review, the Independent Directors of the Company reviewed the performance of Non- Independent Directors, the Board as a whole and of the Chairperson of the Company, taking into account the views of Executive Director and Non- Executive Directors.

Further, the Independent Directors hold unanimous opinion that the Non-Independent Directors including the Chairperson bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company. The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The Company's policy on Performance Evaluation is available on its website at <https://www.birla-sugar.com/Assets/Palash/Policy%20on%20Performance%20Evaluation.pdf>

## Board meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Chairperson and other concerned persons in the senior management. The detailed agenda and other relevant notes are circulated to the Directors well in advance. All material back up information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

During the period under review Four (4) Board Meetings were held on 11th May, 2023, 14th August, 2023, 10th November, 2023 and 14th February, 2024 respectively.



Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships/Committee memberships held by them during the year 2023-24 are tabled below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM on 31st July, 2023	No. of Directorships in other Public companies	No. of Chairmanship/ Membership of Board Committees in other Companies		Names of the Listed Companies and Category of Directorship (other than PSL)		No. of Equity Shares held
					Chairman	Member	Name of the Company	Category	
Mrs. Shalini Nopany (DIN- 00077299)	C/NED	4	Yes	6	-	1	SIL Investments Limited/ New India Retailing & Investment Limited	MD	NIL
Mr. Chand Bihari Patodia (DIN- 01389238)	MD	4	Yes	1	-	-	NIL	-	NIL
Mr. Dinesh Kacholia (DIN - 07640666)	I/NED	4	Yes	1	-	-	NIL	-	NIL
Mr. Chhedi Lal Agarwal (DIN - 07778603)	I/NED	4	Yes	4	-	2	Ganges Securities Limited	ID	NIL
Mr. Arun Kumar Newar (DIN - 07778968)	I/NED	4	Yes	2	-	2	Ganges Securities Limited	ID	NIL
Mr. Suresh Kumar Khandelia (DIN-00373797)	I/NED	4	Yes	1	-	1	NIL	-	NIL
C – Chairperson		I - Independent			NED - Non-executive Director		MD – Managing Director		

#### Notes:

- I. The number of directorships held by the Directors does not include Private Limited Companies, Foreign Companies and Companies incorporated under Sec 8 of the Companies Act, 2013.
- II. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Not less than two thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. One third of the number of directors liable to retire by rotation will retire by rotation every year. As per the provisions of Sec 149 of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation. Mr. Chand Bihari patodia is liable to retire by rotation and is eligible for re-appointment. As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings, Brief particulars of Mr. Chand Bihari patodia seeking re-appointment are given in the Notice convening this Annual General Meeting.

#### Committees of the Board

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, and Nomination and Remuneration Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

### 3. Audit Committee

#### i. Overall purpose/Objective

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015 as amended from time to time, by the Board of Directors, initially at its meeting held on 30th March, 2017.

The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

#### ii. Terms of Reference

The Terms of Reference of this Committee inter-alia includes overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors, discussing with auditors significant findings, related party transactions and approval of any subsequent modification of transactions of the Company with related parties; omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed; adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, as amended from time to time.

Mr. Chhedi Lal Agarwal, Chairman of the Audit Committee attended the last Annual General Meeting to provide clarifications and answer queries.

The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Auditors and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company.

#### iii. Composition and Meetings

As on 31st March, 2024, the Audit Committee comprises Mr. Chhedi Lal Agarwal, Mr. Dinesh Kacholia, Mr. Arun Kumar Newar, Independent Directors and Mr. Chand Bihari Patodia, Managing Director. Mr. Chhedi Lal Agarwal, Independent Director acts as the Chairman of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Chief Financial Officer (CFO) is a permanent invitee to the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors as well as Internal Auditors of the Company are invited to attend the Audit Committee meetings. The Company also invites the Secretarial Auditor to attend the meeting and discuss their report.

During the financial year 2023-24, 5 (Five) meetings of the Audit Committee were held on 11th May, 2023, 14th August, 2023, 20th September, 2023, 10th November, 2023 and 14th February, 2024 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI (LODR) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr. Chhedi Lal Agarwal	Chairman	Independent Director	5
Mr. Dinesh Kacholia	Member	Independent Director	5
Mr. Arun Kumar Newar	Member	Independent Director	5
Mr. Chand Bihari Patodia	Member	Executive Director	5



## 4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company was constituted on 30th March, 2017, in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

### i. Terms of Reference:

The Stakeholders Relationship Committee oversees the redressal of complaints/grievances of investors such as transfer/transmission of shares, credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, taking note of shares transferred in course of a quarter, status of dematerialized shares as on the end of each quarter, stock of blank stationery of share certificates as on the end of each quarter, shareholding pattern of the Company as on the end of each quarter and detail of investors' grievances pending as on the end of each quarter among others. It also approves issuance of duplicate shares and matters incidental thereto. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters and carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when required from time to time.

### ii. Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 31st March, 2024 is as follows:

- i. Mr. Chhedi Lal Agarwal - Chairman
- ii. Mr. Arun Kumar Newar
- iii. Mr. Dinesh Kacholia

During the financial year 2023-24, the Committee met 4 (Four) times on 11th May, 2023, 14th August, 2023, 10th November, 2023 and 14th February, 2024 respectively. The Committee is headed by Mr. Chhedi Lal Agarwal an Independent Director and Mr. Vikram Kumar Mishra, Company Secretary is the Compliance Officer.

**Attendance of the members at the meetings was as follows:**

Name of the Member	Status	Category	No of meetings attended
Mr. Chhedi Lal Agarwal	Chairman	Independent Director	4
Mr. Dinesh Kacholia	Member	Independent Director	4
Mr. Arun Kumar Newar	Member	Independent Director	4

The Board of Directors have authorised the Secretary to approve transfers/ transmissions of shares in physical form upto 1000 shares. The transfers/ transmissions approved by the Secretary are periodically placed before the Committee.

The Company has implemented a comprehensive Investor Grievance Redressal system, which prescribes the standards for shareholders' service and the grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents, as well as by the Company. Shareholders can contact the Company at [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org) on a day-to-day basis.

During the financial year ended 31st March, 2024, 6 nos. of complaints were received under SEBI Complaints Redress System (SCORES) which was duly redressed and there were no complaints pending at the end of the financial year.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of SEBI (LODR) Regulations, 2015, Statements of investor complaints as received from the Registrar & Share Transfer Agents, Link Intime Private Limited, were filed with the Stock Exchanges on a quarterly basis and the said Statements were also placed before the Board of Directors for information and noting.

## 5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company was constituted on 30th March, 2017 in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

### i. Objectives:

The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes

recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifies the persons who are qualified to become Directors and who may be appointed in senior management including their remuneration in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI (LODR) Regulations, 2015

**ii. Terms of Reference:**

The broad terms of reference of the Nomination & Remuneration Committee, inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment, remuneration and removal.

**iii. Composition and Meetings:**

The Committee comprises of the following Directors:

- i. Mr. Arun Kumar Newar - Chairman
- ii. Mr. Dinesh Kacholia
- iii. Mr. Chhedi Lal Agarwal

During the period under review the Committee met once on 11th May, 2023.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr. Arun Kumar Newar	Chairman	Independent Director	1
Mr. Dinesh Kacholia	Member	Independent Director	1
Mr. Chhedi Lal Agarwal	Member	Independent Director	1

**iv. Nomination and Remuneration Policy:**

The Board of Directors of the Company had at its meeting held on 30th March, 2017 adopted the Remuneration Policy as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy as adopted by the Board of Directors is available at the website of the Company at <https://www.birla-sugar.com/Assets/Palash/Nomination%20and%20Remuneration%20Policy-29-5-24.pdf>

The Nomination and Remuneration Policy, inter-alia, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy and remuneration structure & components, etc. of the Directors, Key Managerial Personnel (KMP) and senior management personnel of the Company. As per the Nomination and Remuneration Policy, a person proposed to be appointed as Director, KMP or senior management personnel should be a person of integrity with high level of ethical standards. In case of appointment as an independent director, the person should fulfill the criteria of independence prescribed under the Companies Act, 2013, rules framed thereunder and the Listing Regulations. The Policy also contains provisions about the payment of fixed & variable components of remuneration to the Managing Director and payment of sitting fee & commission to the non-executive directors.

**v. Remuneration of Directors**

Detail of remuneration paid to the Directors for the financial year 2023-24 is as below:

The Company pays a sitting fee of Rs. 5,000/- per Board meeting to each Director and Rs. 2,500/- per Committee meeting to each Director. The amount of sitting fees paid to Directors during the financial year 2023-24 is as follows:



Sl. No.	Name of the Director	Amount (Rs.)
1	Mrs. Shalini Nopany	20,000/-
2	Mr. Chhedi Lal Agarwal	45,000/-
3	Mr. Arun Kumar Newar	45,000/-
4	Mr. Dinesh Kacholia	45,000/-
5	Mr. Suresh Kumar Khandelia	20,000/-

There was no other pecuniary relationship or transaction with the non-executive directors.

## 6. Corporate Social Responsibility Committee

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

## 7. Details of key managerial personnel and senior management including the changes therein during the Year ended March 31, 2024:

The following are the Key Management Personnel of the Company:

1. Mr. Chand Bihari Patodia, Managing Director
2. Mr. Deepak Kumar Sharma, Chief Financial Officer
3. Mr. Vikram Kumar Mishra, Company Secretary and Compliance Officer

There have been no changes in the position of the Key Managerial Personnel and senior management of the Company.

## 8. Subsidiary Companies

As on 31st March, 2024, the Company has five subsidiaries. The Company has formulated a policy for determining material subsidiaries in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy is uploaded on the Company's website at <https://www.birla-sugar.com/Assets/Palash/Policy%20for%20Determining%20Material%20Subsidiary-29-5-24.pdf>

## 9. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Further, during the financial year, no materially significant transactions or arrangements were entered into between the Company and its promoters, Directors, Key Managerial personnel or their relatives etc. that may have potential conflict with the interests of the Company. Details of transactions with the related parties as specified in Indian Accounting Standards (Ind AS 24) have been reported in the Financial Statements. The Board has approved a policy for related party transactions which modified in line with amended provisions of Companies Act, 2013 read with SEBI (LODR) Regulations, 2015, as amended, and has been uploaded on the Company's website at <https://www.birla-sugar.com/Assets/Palash/Policy%20on%20Related%20Party%20Transaction.pdf>

## 10. Vigil Mechanism / Whistle Blower Policy

The Vigil Mechanism provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures regarding the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Company has in place a Vigil Mechanism / Whistle Blower Policy which facilitates the stakeholders to have direct access to the management and the Audit Committee, to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. No person has been denied access to the chairman of the Audit Committee. The said policy is uploaded on the website of the Company at <https://www.birla-sugar.com/Assets/Palash/Whistle-Blower-Policy-Palash-29-5-24.pdf>

## 11. Policy Against Sexual and Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. During the financial year 2023-24, the Company did not receive any sexual harassment complaints.

## 12. General Body Meetings

### i. The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location/ Mode of AGM
2022-23	31.07.2023	11.00 am	Through Video Conferencing (VC) Or Other Audio Visual Means
2021-22	19.07.2022	11.00 am	(OAVM) pursuant to the MCA Circular dated May 5, 2020 read with
2020-21	25.08.2021	11.00 am	Circulars dated April 8, 2020 and April 13, 2020

### ii. The following Special Resolutions were passed at the previous three Annual General Meetings :

#### 1. During the financial year 2021-22, 3 (three) special resolutions were passed through postal ballot on 13th March, 2022:

- Re-appointment of Mr. Dinesh Kacholia (DIN: 07640666) as an Independent Director for a second term of five consecutive years commencing from March 14, 2022 up to March 13, 2027.
- Re-appointment of Mr. Chhedi Lal Agarwal (DIN: 07778603) as an Independent Director for a second term of five consecutive years commencing from March 30, 2022 up to March 29, 2027.
- Re-appointment of Mr. Arun Kumar Newar (DIN: 07778968) as an Independent Director for a second term of five consecutive years commencing from March 30, 2022 up to March 29, 2027.

### iii. Special Resolutions passed through postal ballot :

During the financial year 2023-24, the Company had sought Shareholders' approval by way of special resolution through postal ballot as per details given below:

Resolution	Date of Postal ball ot Notice	Date of Announcement of Result	Total No. of Valid Votes	No. of Votes with Assent for the Resolution	No. of Votes with Dissent or the Resolution
Re-appointment of Mr. Chand Bihari Patodia as the Managing Director of the Company	13.02.2023	11.05.2023	7827333	6807870 (86.98%)	1019463 (13.02%)

### iv. Procedure for the postal ballot:

The aforementioned Postal Ballot was conducted solely through the remote e-voting process in accordance with provisions of Sections 108 and 110, as well as other applicable provisions of the Act and its corresponding Rules.

Mr. Mohan Ram Goenka, Practising Company Secretary (Membership No. FCS 4515, CP No. 2551), was appointed as Scrutinizer, for conducting the above Postal Ballot through the Remote E-Voting process fairly and transparently.

There is no immediate proposal for passing any special resolution through postal ballot.

## 13. Means of Communication

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to Stock Exchanges where the Company's equity shares are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in Hindi in Lughnow.



- ii. The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges within stipulate time through NSE Electronic Application Processing System (NEAPS) at NSE and BSE Listing Centre at BSE
- iii. The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website at [www.birla-sugar.com](http://www.birla-sugar.com) after these are submitted to the stock exchanges.
- iv. The Company also displays official press releases as and when released on the above website.
- v. Email id earmarked for redressing Investor queries is [palashinvestors@birla-sugar.com](mailto:palashinvestors@birla-sugar.com).

## 14. General Shareholders' Information

- i. 10th Annual General Meeting
 

Day	:	Friday
Date	:	9th August, 2024
Time	:	11:00 A.M. (IST)
Venue	:	Through Video Conferencing (VC) Or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at P.O. Hargaon, Dist. Sitapur Uttar Pradesh – 261121.

- ii. Financial Year: April to March

- iii. **Tentative Financial Calendar for the year 2024-25**

Audited Annual Results (2023-24)	Approved on 15th May, 2024
First Quarter Results	On or before 14th August, 2024
Second Quarter Results	On or before 14th November, 2024
Third Quarter Results	On or before 14th February, 2025
Audited Annual Results (2024-25)	On or before 30th May, 2025

- iv. **Book Closure**

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 3rd August, 2024 to Friday, 9th August, 2024 (both day inclusive) for the purpose of Annual General Meeting.

- v. **Dividend Payment**

The Board of Directors did not recommend any dividend on equity shares for the period under review.

- vi. **Listing on Stock Exchanges and Stock Codes**

The Stock Exchanges at which the Equity Shares of the Company are listed and the respective stock codes are as under:

Name and Address of the Stock Exchanges	Stock Code	ISIN
<b>BSE Ltd. (BSE)</b>	540648	INE471W01019
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001		
<b>National Stock Exchange of India Ltd. (NSE)</b>	PALASHSECU	
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051		

Listing fees for the FY 2024-25 have been paid to the above Stock Exchanges.



vii. **Market Price data**

The Equity Shares of the Company were listed and are being traded with effect from July 28, 2017. Monthly high/low of market price of the Company's Equity Shares traded on BSE Ltd. (BSE) and National Stock Exchange of India Ltd.(NSE) during the last financial year was as follows:

Months	BSE		NSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April, 2023	109.70	97.10	114.70	96.10
May, 2023	125.65	96.15	124.05	97.25
June, 2023	144.85	96.15	144.00	97.05
July, 2023	113.95	101.00	114.80	102.00
August, 2023	110.70	97.20	108.00	98.10
September, 2023	138.00	98.25	139.70	101.30
October, 2023	125.25	101.90	126.20	100.95
November, 2023	164.00	107.20	165.60	110.00
December, 2023	129.95	114.10	125.95	115.05
January, 2024	126.50	113.20	126.25	113.20
February, 2024	142.85	113.00	145.70	112.00
March, 2024	137.35	106.95	138.00	101.90

viii. **Performance in comparison to broad-based indices such as BSE sensex and Nifty 50 are given below**

Months	Closing price of Equity Shares at BSE (Rs.)	BSE Sensex	Closing price of Equity Shares at NSE (Rs.)	Nifty 50
April, 2023	100.79	61112.44	100.60	18065.00
May, 2023	99.10	62622.24	99.20	18534.40
June, 2023	109.31	64718.56	110.60	19189.05
July, 2023	106.80	66527.67	105.05	19753.80
August, 2023	102.25	64831.41	103.35	19253.80
September, 2023	112.90	65828.41	113.25	19638.30
October, 2023	114.00	63874.93	114.60	19079.60
November, 2023	123.00	66988.44	122.40	20133.15
December, 2023	118.00	72240.26	117.30	21731.40
January, 2024	123.00	71752.11	122.90	21725.70
February, 2024	116.95	72500.30	117.45	21982.80
March, 2024	119.30	73651.35	118.05	22326.90

ix. The equity shares of the Company have not been suspended from trading on the said stock exchanges by any regulatory/ statutory authority.

x. **Registrar & Share Transfer Agent**

The Company has appointed Link Intime India Pvt Ltd. as its Registrar & Share Transfer Agents (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondence, shares for transfer demat/remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address:

Link Intime India Pvt. Ltd.

Unit: Palash Securities Limited

Vaishno Chambers, 6 Brabourne Road, Flat No. 502 & 503, 5th Floor, Kolkata- 700 001

Tel: 91 033 4004 9728, Fax : 91 033-40731698, E-mail: [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)



xi. **Share Transfer System**

Pursuant to the directive of the Securities and Exchange Board of India (SEBI), Physical transfer of shares has been dispensed with. In reference to SEBI Circular dated 25th January, 2022, the Security holder/Claimant shall submit duly filled up Form ISR-4 for processing of service request related to transmission, transposition, consolidation/subdivision/endorsement of share certificate, issue of duplicate share certificate along with requisite documents. The Company/RTA shall issue letter of confirmation after processing the service requests which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

xii. **Distribution of Shareholding**

a. **Equity Share Capital History**

The Paid up Capital of the Company consists of 1,00,03,102 Equity shares of Rs. 10/- each fully paid up and allotted as under:

Date of Allotment	No. of share	Issue Price (Rs. per share)
30.03.2017	1,00,03,102	10

b. **The Distribution of Shareholding as on 31st March, 2024 was as follows:**

Range of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -500	7718	94.5717	515784	5.1562
501 - 1000	184	2.2546	138979	1.3894
1001 – 2000	112	1.3724	159878	1.5983
2001 – 3000	38	0.4656	96560	0.9653
3001 – 4000	19	0.2328	67965	0.6794
4001 – 5000	14	0.1715	62829	0.6281
5001 – 10000	23	0.2818	165699	1.6565
10001 and above	53	0.6494	8795408	87.9268
<b>Total</b>	<b>8161</b>	<b>100.00</b>	<b>10003102</b>	<b>100.00</b>

c. **Detail of Shareholding pattern of the Company as on 31st March, 2024 was as follows:**

Category	No. of Shares held	% of Shareholding
Promoters	7212849	72.10
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	75844	0.76
Bodies Corporate	622478	6.22
Trusts	20500	0.20
Indian Public	1225424	12.25
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	130764	1.31
<b>Total</b>	<b>1,0003102</b>	<b>100.00</b>

xiii. **Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd. and The National Stock Exchange of India Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 99,66,164 Equity Shares viz. 99.63% have been dematerialized.

xiv. **Outstanding GDRs /ADRs/Warrants or Convertible Instrument**

The Company has never issued GDRs/ ADRs/Warrants or any other Convertible Instrument

xv. **Commodities price risk or foreign exchange risk and hedging :**

Not Applicable

xvi. **Address for Correspondence:**

<b>The Company Secretary,</b>	<b>Link Intime India Pvt. Ltd.</b>
<b>Palash Securities Limited</b>	<b>Unit : Palash Securities Limited</b>
9/1, R.N. Mukherjee Road	Vaishno Chamber, 5th Floor, Room No. 502 & 503
5th Floor, Birla Building	6, Brabourne Road
Kolkata - 700 001	Kolkata - 700 001
India	India
Tel : 91 - 033 - 2243 0497/8	Tel : 91-033-2289 0540
Fax: 91 - 033 - 2248 6369	Fax : 91-033-2289 0539
e-mail: palashsecuritiesc@birlasugar.org	e-mail: kolkata@linkintime.co.in

xvii. **Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund**

The Company is not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

## 15. Transfer of Shares in Unclaimed Suspense Account

The Company has transferred to the "Unclaimed Suspense Account" the unclaimed equity shares which were issued in physical form from time to time. The details of such unclaimed shares are as under:

<b>Particulars</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2023	412	18041
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2023-24	5	464
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2023-24	5	464
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2024	407	17577

## 16. CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company have certified that all the requirements of the Listing Regulations inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2024, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

## 17. Information about directors seeking appointment/ re-appointment

The details of Director retiring by rotation and seeking re-appointment have been given in the Annexure to the Notice convening Annual General Meeting.

## 18. Prevention of Insider Trading

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its designated persons and their immediate relatives.



The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on website of the Company at <https://www.birla-sugar.com/Assets/Palash/palash%20code%20for%20fair%20disclosure.pdf>. The Code ensures the prevention of dealing in Company's shares/ securities by persons having access to unpublished price sensitive information. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. All Board members and the designated persons have confirmed compliance with the Code. The Company has in existence a Structured Digital Database as mandated under the above Regulations.

## 19. Code of Conduct

The Company has adopted a Code of Conduct (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Code is available on the website of the Company at <https://www.birla-sugar.com/Assets/Palash/Code%20of%20Conduct-29-5-24.pdf>. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage.

All Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Managing Director, is attached to this report and which forms an integral part of this report.

## 20. Legal Compliances

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company Secretary which is duly supported by the legal compliance report of the internal auditors. The Board also reviews periodically the steps taken by the Company to rectify instances of non-compliances, if there is any.

## 21. Reconciliation of Share Capital Audit

The Company Secretary in Practice carried out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

## 22. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every Company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.

## 23. Secretarial Audit & Secretarial Compliance Report

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended

March 31, 2024 is provided in the Annual Report. In addition to the Secretarial Audit Report, SEBI vide its Circular dated 8th February 2019 has mandated on annual basis a check by the company secretary in practice on compliance of SEBI Regulations and circulars/ guidelines issued thereunder and to submit a compliance report to the Company within 60 days of the end of the financial year, which was carried out by M/s Vinod Kothari & Co, Practising Company Secretary and their report shall be submitted to Stock Exchanges within stipulated time and was uploaded on company's website [www.birla-sugar.com](http://www.birla-sugar.com)

## 24. Other Disclosures

- i. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No.28 of the Accounts in the Annual Report.
- ii. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- iii. The company has in place the Whistle Blower Policy and no personnel have been denied access to the Audit Committee.
- iv. The Company has complied with all the applicable mandatory requirements of the SEBI Listing Regulations and details of discretionary requirements under Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned in Discretionary Requirements stated separately.
- v. In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.
- vi. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in Note No. 22 to the Standalone Financial Statements and Note No. 44 to the Consolidated Financial Statements.
- vii. The Company has four material subsidiaries named as Morton Foods Limited, Champaran Marketing Co. Ltd, Hargaon Investment & Trading Co. Ltd and OSM Investment & Trading Co. Ltd. Other details on material subsidiaries including date and place of incorporation and their Statutory Auditors are given below:
  - a. Morton Foods Limited was incorporated on 19th March, 2015 at Hargaon, Sitapur, UP. Messrs Singhi & Co., Chartered Accountants are acting as Statutory Auditors of the Company since 8th September, 2016.
  - b. OSM Investment & Trading Co Ltd was incorporated on 26th December, 1986 at Kolkata, West Bengal. Messrs B L Rathi & Co., Chartered Accountants are acting as Statutory Auditors of the Company since 21st September, 2017.
  - c. Champaran Marketing Co Ltd was incorporated on 23rd February, 1951 at Kolkata, West Bengal. Messrs Agrawal Subodh & Co., Chartered Accountants are acting as Statutory Auditors of the Company since 21st September, 2017.
  - d. Hargaon Investment & Trading Co Ltd was incorporated on 26th December, 1986 at Kolkata, West Bengal. Messrs B L Rathi & Co., Chartered Accountants are acting as Statutory Auditors of the Company since 21st September, 2017.
- viii. There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.
- ix. During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of SEBI (LODR) Regulations, 2015, as amended from time to time.
- x. There were no instances where Board had not accepted any recommendations/ suggestions of any committee of Board which is mandatorily required during the financial year 2023-24.
- xi. As required under Part C of Schedule V the Listing Regulations, certificate dated May 15, 2024 obtained from M/s. A.K. Labh & Co, Practising Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority, is annexed hereto.



## 25. Discretionary Requirements

- i. **Chairman of the Board:** Chairpersons' office is maintained at the Company's expenses and expenses incurred by the Chairperson in performance of his/her duties are also reimbursed by the Company.
- ii. **Shareholder rights:** The quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website.

The Annual Report of the Company for the financial year 2023-24 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.

The Company communicates with shareholders through e-mail, telephone etc.

- iii. **Modified opinion(s) in audit report:** The Company always endeavors to present unmodified financial statements. There is no audit modification in the Company's standalone financial statements for the year ended on 31st March, 2024. However Company's Consolidated financial statements for the year ended on 31st March 2024 have been presented with modified opinion which forms part of Annual Report.
- iv. **Separate posts of Chairperson and CEO:** The Company has appointed separate persons to the post of Chairperson and Managing Director/CEO.
- v. The positions of Chairman and Managing Director are separate.
- vi. **Reporting of Internal Auditor:** The Internal Auditor functionally report to the Audit Committee. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

## 26. Web links to Company policies and programmes

The Company's policies and programmes as prescribed under the SEBI (LODR) Regulations are available at:

Particulars	Website Links
Related Party Transaction Policies	<a href="https://www.birla-sugar.com/Assets/Palash/Policy%20on%20Related%20Party%20Transaction.pdf">https://www.birla-sugar.com/Assets/Palash/Policy%20on%20Related%20Party%20Transaction.pdf</a>
Policy for determining Material Subsidiaries	<a href="https://www.birla-sugar.com/Assets/Palash/Policy%20for%20Determining%20Material%20Subsidiary-29-5-24.pdf">https://www.birla-sugar.com/Assets/Palash/Policy%20for%20Determining%20Material%20Subsidiary-29-5-24.pdf</a>
Code of Conduct	<a href="https://www.birla-sugar.com/Assets/Palash/Code%20of%20Conduct-29-5-24.pdf">https://www.birla-sugar.com/Assets/Palash/Code%20of%20Conduct-29-5-24.pdf</a>
Remuneration Policy of Directors, Key Managerial Personne & Senior Management Personnel	<a href="https://www.birla-sugar.com/Assets/Palash/Nomination%20and%20Remuneration%20Policy-29-5-24.pdf">https://www.birla-sugar.com/Assets/Palash/Nomination%20and%20Remuneration%20Policy-29-5-24.pdf</a>
Policy on Determination of Materiality	<a href="https://www.birla-sugar.com/Assets/Palash/Policy%20on%20Determination%20of%20Materiality-29-5-24.pdf">https://www.birla-sugar.com/Assets/Palash/Policy%20on%20Determination%20of%20Materiality-29-5-24.pdf</a>
Policy on preservation of documents including archival	<a href="https://www.birla-sugar.com/Assets/Palash/Policy%20on%20preservation%20of%20documents%20including%20archival-29-5-24.pdf">https://www.birla-sugar.com/Assets/Palash/Policy%20on%20preservation%20of%20documents%20including%20archival-29-5-24.pdf</a>
Whistle Blower Policy	<a href="https://www.birla-sugar.com/Assets/Palash/Whistle-Blower-Policy-Palash-29-5-24.pdf">https://www.birla-sugar.com/Assets/Palash/Whistle-Blower-Policy-Palash-29-5-24.pdf</a>
Familiarisation Programme	<a href="https://www.birla-sugar.com/Assets/Palash/Familiarisation%20Programme%202023-24.pdf">https://www.birla-sugar.com/Assets/Palash/Familiarisation%20Programme%202023-24.pdf</a>

**27. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015**

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/ heads:

- a. Board of Directors
- b. Audit Committee
- c. Nomination and Remuneration Committee
- d. Stakeholders' Relationship Committee
- e. Vigil Mechanism
- f. Related Party Transactions
- g. Obligations with respect to Independent Directors
- h. Obligations with respect to Directors and senior management
- i. Other Corporate governance requirements as stipulated under the Regulations
- j. Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) and (t) of Regulation 46(2).

**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  
**Palash Securities Limited**  
P.O. - Hargaon, Dist. - Sitapur  
Uttar Pradesh - 261121

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Palash Securities Limited** having CIN : L74120UP2015PLC069675 and having registered office at P.O. - Hargaon, Dist. - Sitapur, Uttar Pradesh – 261121 (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Shalini Nopany	00077299	02.08.2016
2.	Suresh Kumar Khandelia	00373797	07.02.2020
3.	Chand Bihari Patodia	01389238	23.03.2015
4.	Dinesh Kacholia	07640666	14.03.2017
5.	Chhedi Lal Agarwal	07778603	30.03.2017
6.	Arun Kumar Newar	07778968	30.03.2017

Ensuring the eligibility 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 has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also 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.

Name : **CS Atul Kumar Labh**  
Membership No. : FCS 4848  
CP No. : 3238  
PRCN : 1038/2020  
UIN : S1999WB026800  
UDIN : F004848F000374448

Place : Kolkata  
Date : 15th May, 2024



## Annexure C

### Certificate on Code of Conduct

To  
The Members  
**Palash Securities Limited**  
P.O. Hargaon, Dist - Sitapur  
U.P – 261 121

Pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I Chand Bihari Patodia, Managing Director of Palash Securities Limited, declare that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the financial year 2023-24.

Place: Kolkata  
Date: 15th May, 2024

**Chand Bihari Patodia**  
Managing Director  
DIN:01389238



## Annexure D

### Independent Auditor's Report on Corporate Governance

To  
The Members of  
**PALASH SECURITIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Palash Securities Limited ("the Company") for the year ended on 31st March 2024 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

#### Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

#### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2024.

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

For, **AGRAWAL SUBODH & CO**  
Chartered Accountants  
Firm Reg No: 319260E

**Prosanta Mukherjee**  
Partner  
Membership No. 053651  
UDIN: 24053651BKDAUQ6046

Place: Kolkata  
Date: 15th May 2024

## Annexure E

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Palash Securities Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Palash Securities Limited** (hereinafter called "**Company**") for the financial year ended March 31, 2024 ("Audit Period"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

- The Companies Act, 2013 ('Act') and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:-
  1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  2. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  3. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not Applicable;
  5. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not Applicable;
  6. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company)- Not Applicable;
  7. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say: The Company is Core Investment Company as per the RBI Guidelines. However, the Company was not required to get registered with the RBI under the said Guidelines.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted and there were no changes in the composition of the Board of Directors that took place during the Audit Period except for the re-appointment of the Managing Director which was carried out in compliance with the provisions of the Act and other applicable laws.

Notice along with agenda is given to all the Directors to schedule the Board Meetings and Committee meetings at least seven days in advance. In case of meetings convened at shorter notice, requisite consent has been taken from the Directors/Committee Members. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

**We further report that** there are adequate systems and processes in the Company, which are commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the Audit Period, the Company has undertaken the below mentioned specific event/ action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc:

**a) Redemption of 13,00,000, 8.50% Unlisted Non- Convertible Cumulative Redeemable Preference Shares (NCCRPS) of Rs. 10/- each**

During the Audit Period, the Company had redeemed 13,00,000 8.50% Non- Convertible Cumulative Redeemable Preference Shares (NCCRPS) as per the terms of issue on the date of maturity i.e., 2nd August, 2023 along with accrued dividend, if any.

Place: Kolkata

Date: 15th May, 2024

For **M/s Vinod Kothari & Company**

Practicing Company Secretaries

Unique Code: P1996WB042300

**Pammy Jaiswal**

Partner

Membership No.: A48056

CP No.: 18059

UDIN: A048046F000371963

Peer Review Certificate No.: 4123/2023

The report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms and integral part of this report

## ANNEXURE - I

### **Auditor and Management Responsibility** **ANNEXURE TO SECRETARIAL AUDIT REPORT**

To,  
The Members,  
**Palash Securities Limited**

**Our Secretarial Audit 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 these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only up to legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws;
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;
7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. 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.



## ANNEXURE - II

### List of Documents

1. Draft Minutes of the following meetings:
  - a) Board Meeting;
  - b) Audit Committee;
  - c) Nomination and Remuneration Committee;
  - d) Stakeholders Relationship Committee;
  - e) General Meetings;
2. Annual Report 2022-23;
3. Notice and Agenda for Board and Committee Meeting on sample basis.
4. Disclosures under Act, 2013 and Listing Regulations;
5. Policies framed under Act, 2013 and Listing Regulations;
6. Registers maintained under the Act;
7. Forms and returns filed with the ROC;
8. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015;
9. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

## Annexure E1

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

*[Secretarial Audit Report in Form No. MR-3 as required under Companies Act, 2013 and the rules made thereunder for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well.]*

To,  
The Members,  
**Morton Foods Limited**  
P O - Hargaon, Sitapur UP  
PIN 261121.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Morton Foods Limited** (CIN: U15122UP2015PLC069645) (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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, 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:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable to it:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c. 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;
  - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and rules made thereunder;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
  - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2018;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
  - i. The Securities and Exchange Board of India (Share based Employee Benefits And Sweat Equity Shares) Regulations, 2021;
  - j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  - a. Legal Metrology Act, 2009;
  - b. The Food Safety and Standards Act, 2006;
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

#### Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for my opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;



4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive 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 and other applicable laws.

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.

Resolutions have been approved by majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We 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.

**We further report that** during the audit period, the Company has not undertaken any event/actions having a major bearing on the Company's affairs in pursuance to the applicable referred laws, regulations, rules, guidelines etc.

Place: Kolkata  
Date: 09.05.2024

For **Arun Kumar Maitra & Co.**  
Practicing Company Secretaries

**Arun Kumar Maitra**  
Partner  
ACS: 3010; C.P. No.: 14490  
UDIN: A003010F000311109

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## **ANNEXURE - A1**

### **List of Documents**

1. Corporate Matters
  - 1.1 Minutes books of the following Meetings were provided:
    - 1.1.1 Board Meeting
    - 1.1.2 General Meeting
    - 1.1.3 Audit Committee
    - 1.1.4 Nomination and Remuneration Committee
  - 1.2 Annual Report (2022-23);
  - 1.3 Agenda papers for Board and Committee Meetings along with Notices;
  - 1.4 Memorandum and Articles of Association;
  - 1.5 Disclosures under the Act, 2013;
  - 1.6 Policies framed under the Act, 2013;
  - 1.7 Forms and returns filed with the ROC;
  - 1.8 Registers maintained under Act, 2013;
  - 1.9 Disclosures under Act, 2013.



## Annexure E2

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015]

To,  
The Members,  
**CHAMPARAN MARKETING CO LTD**  
9/1 R N Mukherjee Road,  
Kolkata- 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHAMPARAN MARKETING CO LTD**. (CIN: U15424WB1951PLC019451) (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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, 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:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c. 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;
  - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and rules made thereunder;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
  - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2018;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
  - i. The Securities and Exchange Board of India (Share based Employee Benefits And Sweat Equity Shares) Regulations, 2021;
  - j. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021.
6. The Company is not carrying any manufacturing business and is engaged in investment activities. The Company is a NBFC Registered with Reserve Bank of India bearing registration Number 05.00192 dated 21st February, 1998. The Management represented that no other specific law is applicable to it.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

During the Audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

#### Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;



2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

### I report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.

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.

Resolutions have been approved by majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We 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.

**We further report that** during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata  
Date: 08.05.2024

For **Arun Kumar Maitra & Co.**  
Practicing Company Secretary

**Arun Kumar Maitra**  
Partner  
ACS: 3010  
C.P. No.: 14490  
UDIN No: A003010F000311076

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## ANNEXURE - A1

### List of Documents

1. Corporate Matters
  - 1.1 Minutes books of the following Meetings were provided:
    - 1.1.1 Board Meeting
    - 1.1.2 General Meeting
    - 1.1.3 Audit Committee
    - 1.1.4 Nomination and Remuneration Committee
    - 1.1.5 Asset-Liability Management Committee
    - 1.1.6 Risk Management Committee
  - 1.2 Annual Report (2022-23);
  - 1.3 Memorandum and Articles of Association;
  - 1.4 Disclosures under the Companies Act, 2013;
  - 1.5 Policies framed under the Companies Act, 2013;
  - 1.6 Forms and returns filed with the ROC and RBI;
  - 1.7 Registers maintained under the Companies Act, 2013;

## Annexure E3

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

[Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015]

To,  
The Members,  
**HARGAON INVESTMENT & TRADING CO LTD.**  
9/1 R N Mukherjee Road,  
Kolkata- 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARGAON INVESTMENT & TRADING CO LTD.** (CIN: U67120WB1986PLC041679) (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 our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, 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:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
  2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
  3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
  4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
  5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
    - c. 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;
    - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and rules made thereunder;
    - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
    - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2018;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
    - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
    - i. The Securities and Exchange Board of India (Share based Employee Benefits And Sweat Equity Shares) Regulations, 2021;
    - j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
  6. The Company is not carrying any manufacturing business and is engaged in investment activities. The Company is a NBFC Registered with Reserve Bank of India bearing registration Number 05.00291 dated 21st February, 1998. The Management represented that no other specific law is applicable to it.
  7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.
- During the Audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

#### Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for my opinion;



3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

### **We report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.

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.

Resolutions have been approved by majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We 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.

**We further report that** during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata

Date: 08/05/2024

For **Arun Kumar Maitra & Co.**

Practicing Company Secretary

**Arun Kumar Maitra**

Partner

ACS: 3010

C.P. No.: 14490

UDIN No: A003010F000311087

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## **ANNEXURE - A1**

### **List of Documents**

1. Corporate Matters
  - 1.1 Minutes books of the following Meetings were provided:
    - 1.1.1 Board Meeting
    - 1.1.2 General Meeting
    - 1.1.3 Audit Committee
    - 1.1.4 Nomination and Remuneration Committee
    - 1.1.5 Asset-Liability Management Committee
    - 1.1.6 Risk Management Committee
  - 1.2 Annual Report (2022-23);
  - 1.3 Memorandum and Articles of Association;
  - 1.4 Disclosures under the Companies Act, 2013;
  - 1.5 Policies framed under the Companies Act, 2013;
  - 1.6 Forms and returns filed with the ROC and RBI;
  - 1.7 Registers maintained under the Companies Act, 2013;

## Annexure E4

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

*[Secretarial Audit Report in Form No. MR-3 as required under Companies Act, 2013 and the rules made thereunder for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well.]*

To,  
The Members,  
**OSM INVESTMENT & TRADING CO LTD.**  
9/1 R N Mukherjee Road,  
Kolkata- 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **OSM INVESTMENT & TRADING CO. LTD.** (CIN: U67120WB1986PLC041677) (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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, 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:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c. 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;
  - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and rules made thereunder;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
  - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2018;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
  - i. The Securities and Exchange Board of India (Share based Employee Benefits And Sweat Equity Shares) Regulations, 2021;
  - j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
6. The Company is not carrying any manufacturing business and is engaged in investment activities. The Company is a NBFC Registered with Reserve Bank of India bearing registration Number 05.00288 dated 21st February, 1998. The Management represented that no other specific law are applicable to it.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

#### Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;



2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for my opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the Audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

### **We report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.

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.

Resolutions have been approved by majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We 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.

**We further report that** during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Arun Kumar Maitra & Co.**  
Practicing Company Secretaries

**Arun Kumar Maitra**  
Partner  
ACS: 3010  
C.P. No.: 14490  
UDIN No: A003010F000311065

Place: Kolkata  
Date: 08/05/2024

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## **ANNEXURE - A1**

### **List of Documents**

1. Corporate Matters
  - 1.1 Minutes books of the following Meetings were provided:
    - 1.1.1 Board Meeting
    - 1.1.2 General Meeting
    - 1.1.3 Audit Committee
    - 1.1.4 Nomination and Remuneration Committee
    - 1.1.5 Asset-Liability Management Committee
    - 1.1.6 Risk Management Committee
  - 1.2 Annual Report (2022-23);
  - 1.3 Memorandum and Articles of Association;
  - 1.4 Disclosures under the Companies Act, 2013 ;
  - 1.5 Policies framed under the Companies Act, 2013;
  - 1.6 Forms and returns filed with the ROC and RBI;
  - 1.7 Registers maintained under Companies Act, 2013;

## Annexure F

### Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(₹ In Lakhs)

Sl. No.	1	2	3	4	5
<b>Name of the subsidiary</b>	<b>Morton Foods Limited</b>	<b>Hargaon Investment &amp; Trading Co Ltd</b>	<b>OSM Investment &amp; Trading Co Ltd</b>	<b>Champan Marketing Co Ltd</b>	<b>Hargaon Properties Limited#</b>
Financial Year ending on	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024
The date since when subsidiary was acquired	23-03-2017	23-03-2017	23-03-2017	23-03-2017	23-03-2017
Reporting currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Exchange rate as on the last date of the relevant Financial year					
in the case of foreign subsidiaries	-	-	-	-	-
Share capital	2110.15	304.57	174.04	108.73	50.00
Other Equity	207.80	26,095.94	13,002.36	8,459.32	(6.13)
Total assets	6643.17	27,476.86	14,434.04	9,302.31	49.00
Total Liabilities	6643.17	27,476.86	14,434.04	9,302.31	49.00
Investments	0.01	27,196.58	14,166.93	8,989.49	---
Turnover	3500.95	332.55	122.29	1 15.77	---
Profit/(Loss)before taxation	(2002.66)	319.63	119.02	110.74	(1.02)
Provision for taxation	0.00	80.45	29.91	27.78	---
Profit/(Loss) after taxation	(2002.66)	239.18	89.11	82.96	(1.02)
Extent of shareholding (In percentage)	* 69.34%	100%	100%	100%	100%

#### Notes:

- #Hargaon Properties Limited is the step-down subsidiary of the Company. The Company is holding 56% through Hargaon Investment & Trading Co. Ltd and 44 % through Champan Marketing Co. Ltd.
- \*Palash Securities Limited directly and indirectly through its wholly owned subsidiaries Hargaon Investment & Trading Co. Ltd, OSM Investment & Trading Co. Ltd and Champan Marketing Co. Ltd holds 69.34% shareholding.

#### Part "B": Associates and Joint Ventures

#### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company has no Associates/Joint Ventures

Place: Kolkata	<b>Shalini Nopany</b> Chairperson	<b>Chand Bihari Patodia</b> Managing Director	<b>Deepak Kumar Sharma</b> Chief Financial Officer	<b>Vikram Kumar Mishra</b> Company Secretary
Date: 15th May, 2024	DIN-00077299	DIN-01389238		



## Independent Auditors' Report

To the Members of  
**Palash Securities Limited**

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **PALASH SECURITIES LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies Indian Accounting Standard Rules 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit and total comprehensive profit, its cash flows and the statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 audit opinion on the Standalone Ind AS Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This section of auditor's report is intended to describe the matters communicated with those charged with governance that the auditor has determined, in the auditor's professional judgement, were of most significance in the audit of the financial statements and the auditor has determined that there are no matters to report.

### Information other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Board of Director's Report, Report on Corporate Governance, Management Discussion & Analysis Report, Business Responsibility Report, Shareholder information, etc., but does not include the financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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.



## Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (IND AS) specified under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rules , 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, the Board of Directors is responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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 ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative



materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

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

## Report on other Legal and Regulatory Requirements

### 1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss Including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors as on 31st March, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration paid by the Company to its directors during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company did not have any pending litigations which will impact its financial position as on 31 March, 2024.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor education and Protection Fund by the Company.
  - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
  - v. The Company has neither declared nor paid dividend during the previous year. The Board of Directors of the Company have also not proposed dividend for the current year.
  - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended 31st March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being disabled or tampered with during the course of our audit.  
As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **“Annexure B”**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For, **Agrawal Subodh & Co.**  
Chartered Accountants  
Firm’s Registration No – 319260E

**Prosanta Mukherjee**  
Partner  
Membership No. – 053651  
UDIN: 24053651BKDAUO6923

Place: Kolkata

Date: 15th May 2024



## Annexure – A

### to the Independent Auditors’ Report on the Standalone Ind AS Financial Statements of Palash Securities Limited as on 31st March 2024

*(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section our report of even date addressed to the members of Palash Securities Limited on the Standalone Ind AS financial statements as on 31 March, 2024)*

#### 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 Palash Securities Limited (“the Company”) as of 31st March 2024 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **Agrawal Subodh & Co.**  
Chartered Accountants  
Firm's Registration No – 319260E

**Prosanta Mukherjee**  
Partner  
Membership No. – 053651  
UDIN: 24053651BKDAUO6923

Place: Kolkata

Date: 15th May, 2024



## Annexure – B

### to the Independent Auditors' Report on the Standalone Ind AS Financial Statements of Palash Securities Limited as on 31st March 2024.

*(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the Standalone Ind AS financial statements as on 31 March 2024)*

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

- a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company does not have intangible assets during the year hence, maintenance of records showing full disclosure not required.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has regular programme of physical verification of its property, plant and equipment and periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- c. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as at the balance sheet date except for the following:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Freehold Land	9.89	The erstwhile company	No	1 April 2015	Mutation in the name of the Company is pending.

- d. The company has not revalued any of its property, plant, and equipment (including Right to Use assets) or intangible assets or both during the year.
- e. According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

#### ii. In respect of the Company's Inventory and Working capital

- a. The Company is a Core Investment Company (CIC) as per RBI guidelines and does not hold any physical inventory. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b. The company has not availed any working capital facilities at any point of time during the year from any banks or financial institutions. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. The company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties, during the year, hence reporting under clause 3 (iii) (a), (b), (c), (d), (e) and (f) of the Order is not applicable.

- iv.** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v.** According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as (amended). Hence, paragraph 3(v) of the Order is not applicable to the Company.
- vi.** According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for business activities carried out by the company. Accordingly, Clause 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:**
- a. In our opinion, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues applicable to it with the appropriate authorities during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess, and other statutory dues in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.
- b. There are no statutory dues which are disputed; hence this clause is not applicable on the Company.
- viii.** In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- ix.**
- a) The company has not taken loans or other borrowings from financial institutions, banks, government or from debenture holders. Hence reporting under Clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanation given to us, the Company has not taken any term loan during the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- d) According to the information and explanation given to us, the company has not raised any funds on short term basis, and hence reporting under clause (ix)(d) of the Order is not applicable.
- e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint venture and associates.
- f) According to the information and explanation given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause (ix)(f) of the Order is not applicable.
- x.**
- a) The Company not raised any money by way of initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company
- xi.**
- a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.



- xii. According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
b) We have considered, the internal audit reports issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3 (xv) of the Order is not applicable.
- xvi.
- a) & b) According to the information and explanation given to us, the company being a Core Investment Company (CIC) fulfilling the criteria of Unregistered CIC. Hence the company is exempted from registration under section 45-IA of the Reserve Bank of India Act, 1934.
- (c) According to the information and explanation given to us, the company is an exempted or unregistered Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and it continues to fulfill such criteria.
- (d) As represented by the management, there are two Core Investment Companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion section 135 of companies Act, 2013, is not applicable to the company during the year. Hence, reporting under Clause 3(xx) of the order not applicable to the company.

For, **Agrawal Subodh & Co.**  
Chartered Accountants  
Firm's Registration No – 319260E

**Prosanta Mukherjee**  
Partner  
Membership No. – 053651  
UDIN: 24053651BKDAUO6923

Place: Kolkata

Date: 15th May 2024



## Balance Sheet as on 31 March 2024

₹ in lakhs

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and Cash Equivalents	4	13.15	288.84
(b) Bank Balances other than (a) above	5	247.00	210.00
(c) Investments	6	2,859.64	2,778.66
(d) Other Financial Assets	7	8.31	3.85
<b>Total Financial Assets</b>		<b>3,128.10</b>	<b>3,281.35</b>
<b>2. Non-financial Assets</b>			
(a) Current Tax Assets (net)	8	4.31	10.50
(b) Investment Property	9	33.50	35.22
(c) Property, Plant and Equipment	9	0.03	0.04
(d) Other Non-financial Assets	10	1.53	0.83
<b>Total Non-financial Assets</b>		<b>39.37</b>	<b>46.59</b>
<b>TOTAL ASSETS</b>		<b>3,167.47</b>	<b>3,327.94</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1. Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
(ii) total outstanding dues of micro enterprises and small enterprises	11	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	3.70	3.70
(b) Subordinated Liabilities	12	-	259.16
<b>Total Financial Liabilities</b>		<b>3.70</b>	<b>262.86</b>
<b>2. Non-financial Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	13	47.78	34.88
(b) Other Non-financial Liabilities	14	1.39	0.04
<b>Total Non-financial Liabilities</b>		<b>49.17</b>	<b>34.92</b>
<b>Total Liabilities</b>		<b>52.87</b>	<b>297.78</b>
<b>EQUITY</b>			
(a) Equity Share Capital	15	1,000.31	1,000.31
(b) Other Equity	16	2,114.29	2,029.85
<b>Total Equity</b>		<b>3,114.60</b>	<b>3,030.16</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,167.47</b>	<b>3,327.94</b>
<b>Summary of material accounting policies</b>	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants  
ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner  
Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

**For and on behalf of the Board of Directors**

**Chand Bihari Patodia**

Managing Director  
DIN: 01389238

**Vikram Kumar Mishra**

Company Secretary

**Shalini Nopany**

Director  
DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

**Statement of Profit and Loss** for the year ended 31 March 2024

₹ in lakhs

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Revenue from Operations</b>			
(i) Interest Income	17	20.44	11.73
(ii) Dividend Income		2.87	472.68
<b>Total Revenue from Operations</b>		<b>23.31</b>	<b>484.41</b>
<b>II. Other Income</b>			
(i) Rental Income		35.02	35.02
(ii) Other Income	18	0.47	2.82
<b>Total Other Income</b>		<b>35.49</b>	<b>37.84</b>
<b>III. Total Income (I + II)</b>		<b>58.80</b>	<b>522.25</b>
<b>IV. Expenses</b>			
(i) Finance Costs	19	3.57	10.72
(ii) Fees and Commission Expenses	20	7.54	7.45
(iii) Depreciation Expenses	21	1.73	2.05
(iv) Other Expenses	22	25.33	34.32
<b>Total Expenses</b>		<b>38.17</b>	<b>54.54</b>
<b>V. Profit before Tax (III - IV)</b>		<b>20.63</b>	<b>467.71</b>
<b>VI. Tax expense</b>	23		
Current tax		4.27	41.37
Provision for tax related to earlier year		-	-
Deferred tax		-	-
<b>Total tax expenses</b>		<b>4.27</b>	<b>41.37</b>
<b>VII. Profit for the year (V - VI)</b>		<b>16.36</b>	<b>426.34</b>
<b>VIII. Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
(a) Equity investments through other comprehensive income - net change in fair value		80.98	(7.84)
(b) Income tax relating to items that will not be reclassified to profit or loss		(12.90)	(34.88)
<b>Other comprehensive income for the year, net of income tax</b>		<b>68.08</b>	<b>(42.72)</b>
<b>IX. Total comprehensive income for the year (VII + VIII)</b>		<b>84.44</b>	<b>383.62</b>
<b>XII. Earnings per equity share [Nominal value per equity share ₹ 10]</b>	24		
(a) Basic (₹)		0.16	4.26
(b) Diluted (₹)		0.16	4.26
<b>Summary of material accounting policies</b>	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner

Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

**For and on behalf of the Board of Directors****Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Shalini Nopany**

Director

DIN: 00077299

**Vikram Kumar Mishra**

Company Secretary

**Deepak Kumar Sharma**

Chief Financial Officer

## Statement of Changes in Equity for the year ended 31 March 2024

### A. Equity Share Capital

Particulars	Notes	As at 31 March 2024		As at 31 March 2023	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	15	1,00,03,102	1,000.31	1,00,03,102	1,000.31
Change in equity share capital during of the year		-	-	-	-
Balances at the end of the year	15	<b>1,00,03,102</b>	<b>1,000.31</b>	<b>1,00,03,102</b>	<b>1,000.31</b>

### B. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus			Items of OCI	Total
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Equity instruments through OCI	
<b>Balance as at 01 April 2023</b>	<b>1,635.40</b>	<b>130.00</b>	<b>44.93</b>	<b>219.52</b>	<b>2,029.85</b>
Total comprehensive income for the year					
- Profit for the year	-	-	16.36	-	16.36
- Net change in fair value of equity investments	-	-	-	68.08	68.08
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>16.36</b>	<b>68.08</b>	<b>84.44</b>
Transfer to Capital Redemption Reserve from Retained Earnings	-	-	-	-	-
Amount adjusted with Retained Earnings and OCI	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>1,635.40</b>	<b>130.00</b>	<b>61.29</b>	<b>287.60</b>	<b>2,114.29</b>
Balance as at 1 April 2022	1,635.40	-	(251.34)	262.17	1,646.23
Total comprehensive income for the year					
- Profit for the year	-	-	426.34	-	426.34
- Net change in fair value of equity investments	-	-	-	(42.72)	(42.72)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>426.34</b>	<b>(42.72)</b>	<b>383.62</b>
Transfer to Capital Redemption Reserve from Retained Earnings	-	130.00	(130.00)	-	-
Amount adjusted with Retained Earnings and OCI	-	-	(0.07)	0.07	-
Balance as at 31 March 2023	1,635.40	130.00	44.93	219.52	2,029.85

#### The description of purpose of each reserve within equity is as follows:

**(a) Capital Reserve**

The difference between the net fair value of assets and liabilities acquired and shares issued pursuant to the scheme of arrangement approved in earlier year had been credited to Capital Reserve.

**(b) Capital Redemption Reserve**

The Company has created Capital Redemption Reserve for redemption of preference shares in accordance with the provision of Section 69 of the Companies Act, 2013.

**(c) Retained Earnings**

It comprise of accumulated profit of the Company after dividends or other distributions, if any, paid to shareholders.

**(d) Equity instruments through OCI**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner

Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

**For and on behalf of the Board of Directors**

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Vikram Kumar Mishra**

Company Secretary

**Shalini Nopany**

Director

DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

**Cash Flow Statement** for the year ended 31 March 2024

₹ in lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	20.63	467.71
Adjustments for:		
Interest Income	-	(0.66)
Finance costs	3.57	10.72
Depreciation expenses	1.73	2.05
	<b>25.93</b>	<b>479.82</b>
<b>Working capital adjustments:</b>		
Decrease / (Increase) in Receivables	-	4.05
(Increase) / Decrease in Other Financial Assets	(41.46)	(213.08)
Decrease / (Increase) in Other Non-financial Assets	(0.70)	0.94
Increase / (Decrease) in Payables	-	0.69
(Decrease) in Other Non-financial Liabilities	1.35	(1.26)
Cash generated from Operations	(14.88)	271.16
Income tax paid (net)	1.92	(2.94)
<b>Net Cash generated from Operating Activities</b>	<b>(12.96)</b>	<b>268.22</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Net Cash used in Investing Activities</b>	-	-
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
(Decrease) in Subordinated Liabilities	(262.73)	-
Repayment of Deposits	-	(20.00)
<b>Net Cash used in Financing Activities</b>	<b>(262.73)</b>	<b>(20.00)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>(275.69)</b>	<b>248.22</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>288.84</b>	<b>40.62</b>
<b>Cash &amp; Cash Equivalents at the end of the year [Note 4]</b>	<b>13.15</b>	<b>288.84</b>

**Change in Liabilities arising from financing activities**

₹ in lakhs

Particulars	As on 1 April 2023	Cash Flow	Change in Fair Value	As on 31 March 2024
Subordinated Liabilities [Note 12]	259.16	(262.73)	3.57	-

Particulars	As on 1 April 2022	Cash Flow	Change in Fair Value	As on 31 March 2023
Deposits	17.89	(20.00)	2.11	-
Subordinated Liabilities [Note 12]	249.21	-	9.95	259.16

The above Cash Flows Statement has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'.

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner

Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

**For and on behalf of the Board of Directors**

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Vikram Kumar Mishra**

Company Secretary

**Shalini Nopany**

Director

DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

## Notes to financial statements as at and for the year ended 31 Mar 2024

### 1. Reporting entity

Palash Securities Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Post Office Hargoon, District Sitapur, Uttar Pradesh 261121. Its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The main objective of the Company is to invest / deal in securities mainly of group companies and in immovable properties. The Company acts as a Core Investment Company (CIC) as per RBI guidelines.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 15 May 2024.

### 2. Basis of preparation

#### 2.1 Statement of compliance

The company has adhered to all accounting policies in the preparation of these financial statements, ensuring compliance with the Indian Accounting Standards (Ind AS) as prescribed by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, in conjunction with the Companies (Indian Accounting Standards) Rules, as amended, and in accordance with Schedule III of the Companies Act, 2013, where applicable. The statement of cash flows which has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Details of Material Accounting Policies are included in Note 3

Effective 01st April 2023 the Company has applied the following amendments to existing standards which has been notified by the Ministry of Corporate Affairs ("MCA"):

##### i. Ind AS 1, Presentation of Financial Statements:

Effective for annual periods starting on or after 1st April 2023, Ind AS 1 has been amended to replace the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information'. The explicit requirement to disclose measurement bases has also been removed.

##### ii. Ind AS 12, Income Taxes:

The amendment has narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The amendments listed above did not have any impact on the amounts recognized in current period.

#### 2.2 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amount are rounded to the nearest lakhs, unless otherwise indicated.

#### 2.3 Basis of Preparation

These financial statements are prepared in accordance with the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policies set out below. The financial statements are prepared on a going concern basis using accrual concept except for the statement of cash flows.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

#### 2.4 Use of judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

The company has assessed the materiality of the accounting policy information, which involves exercising judgement and considering both quantitative and qualitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis, revision to accounting estimates are recognised prospectively.

The management makes various judgements, apart from those involving estimations, that can significantly affect the amounts it recognises in the financial statements. Judgements are applied in determining the followings:

**Note 3.13** Determining the fair values of investments.

Information about estimation and assumption uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included in the following notes:

**Note 3.1** Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

**Note 3.3** Useful life and residual value of investment property;

**Note 3.4** Useful life and residual value of property, plant and equipment;

**Note 3.5 & 3.7** Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

**Note 3.10** Recognition of deferred tax assets: availability of future taxable profit against which deductions allowed on payment / other basis can be used;

### B. Change in Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognized prospectively by including it in profit or loss (a) In the period of the change if the change affects only that period; or (b) the period of the change and future periods, if the change affects both.

However, the change in an accounting estimate that gives rise to changes in assets and liabilities, or relates to an item of equity, is recognized by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

### C. Key Sources of Estimation Uncertainty

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

#### C.1. Provisions for Income Tax and Deferred Tax

The income tax expense or benefit for the period includes the tax due on the current period's taxable income at the rates prescribed by the Income Tax Act, 1961, adjusted for any changes in deferred tax assets and liabilities arising from temporary differences and unutilized tax losses. Revenue, costs, allowances, and disallowances are allocated based on judgements informed by relevant rulings to determine the income tax provision.

##### C.1.1 Current Tax

Current tax assets and liabilities are measured at the amounts expected to be recovered or paid, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### C.1.2 Deferred Tax

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax related to items recognized directly in equity or in other comprehensive income is recorded in the same area, matching the transaction that generated the deferred tax. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to taxes levied by the same tax authority

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

on either the same taxable entity or different taxable entities which intend to settle balances on a net basis. The recognition of deferred tax assets is contingent upon the likelihood of sufficient future taxable profits against which they can be utilized, necessitating significant judgement about possible legal or economic constraints.

### C.2 Impairment of Financial Assets

The Company evaluates the carrying value of its investments at amortized cost annually or more frequently if impairment indicators arise. Meanwhile, the company acknowledges impairment losses for trade receivables that are not considered a financing transaction by employing the expected credit loss model. This model utilizes a provision matrix based on historical credit loss experience. If the recoverable amount is less than the carrying amount, an impairment loss is recorded.

### C.3 Impairment of Non-Financial Assets

The Company evaluates, on each reporting date, whether there is any indication that an asset might be impaired. An asset is considered impaired when its carrying amount surpasses its recoverable value, which is the higher of its value in use and its net selling price. The value in use is calculated as the net present value of the expected cash flows over the asset's remaining useful life. To assess impairment, assets are grouped at the lowest levels for which cash inflows are separately identifiable and largely independent of the cash inflows from other assets or groups of assets, known as Cash Generating Units (CGU).

### C.4 Claims, Provisions and Contingent Liabilities and Assets

Provisions for loss contingencies related to claims, litigations, assessments, fines, and penalties are recognized when a liability is likely incurred and the amount can be reliably estimated.

A contingent liability is considered when there is a possible but not probable obligation, or a present obligation that may not likely result in an outflow of resources, or a present obligation that cannot be reliably quantified. Contingent liabilities are not provided for but are disclosed in the notes to the financial statements unless the outflow of resources is considered remote.

Contingent assets are not recorded in the financial statements but are disclosed when an inflow of economic benefits is likely.

### C.5 Measurement of Fair value

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 – Impairment of Assets. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

**Level 2** inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### C.6 Useful lives of property, plant and equipment and investment property

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of IT equipment, software and other plant and equipment. This reassessment may result in change in depreciation expense in future periods.



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 3. Material accounting policies

#### 3.1 Financial instruments

##### **Recognition and initial measurement**

Receivables issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

##### **Classification and subsequent measurement**

###### **i) Financial assets**

On initial recognition, a financial asset is classified and measured at:

- Amortised cost; or
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

###### **ii) Financial assets at amortised cost**

A financial assets is measured at amortised cost if it meet both of the following conditions and is not designated as at FVTPL:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

##### **Business model assessment**

The Company determines its business model at the level that best reflects how it manages the Company's of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

##### **The SPPI test**

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

### iii) **Financial assets at FVOCI**

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

**Financial assets are measured at the FVOCI if both of the following conditions are met:**

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

### iv) **Financial assets at FVTPL**

All financial assets which do not meet the criteria for categorisation as at amortised cost or FVOCI as described above are classified as at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are SPPI.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### v) **Financial assets: Subsequent measurement and gains and losses**

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

### vi) **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL.

#### vii) **Financial liabilities at FVTPL**

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

#### viii) **Financial liabilities at amortised cost**

Deposits, subordinated liabilities and other financial liabilities are subsequently measured at amortised cost using the effective interest (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

### **Derecognition**

#### i) **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 rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset 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.

#### ii) **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

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 the new financial liability with modified terms is recognised in Statement of Profit and Loss.

### **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 to realise the asset and settle the liability simultaneously.

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### **Impairment**

#### **i) Impairment of financial assets**

At each reporting date, the Company assess whether financial assets, than those at FVTPL are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Company recognises loss allowances using the expected credit losses (ECL) model for the financial assets which are fair valued through profit or loss.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

In case of receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on receivables using a provision matrix on the basis of its historical credit loss experience.

For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

#### **(a) Measurement of expected credit losses**

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### **(b) Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **(c) Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### **(ii) Impairment of non-financial assets**

The Company's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are combined together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.2 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 3.3 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated using the straight-line method to write down the cost of investment properties to their residual values over their estimated useful lives. Land recognised as investment properties is not depreciated.

The Company depreciates building components of investment property over 5 to 60 years from the date of original purchase.

The Company, based on technical assessment made by management's expert and management estimate, depreciates the building components of investment property over their estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost model, the fair value of investment property is disclosed in the notes. Fair values are determined based on technical assessment made by management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount (net) of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

### 3.4 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. Land recognised as properties, plant and equipment is not depreciated.

The Company depreciates property, plant and equipment over the useful life prescribed in Schedule II to the Companies Act, 2013.

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

The estimated useful lives are, as follows:

- Buildings 30 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### 3.5 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Expected future operating losses are not provided for.

### 3.6 Lease

#### As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

#### (b) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term lease and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

option). It also applies the lease of low-value assets recognition exemption to leases of offices, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### ***As a lessor***

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **3.7 Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

### **3.8 Revenue Recognition**

#### ***Interest income***

Interest income is recognised in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVTOCI) except for those classified as held for trading.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

#### ***Dividend income***

Dividend income (including from investment at FVOCI) is recognised when the Company receives it. It is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

#### ***Trading income***

Trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

### **3.9 Expenses**

All expenses are accounted for on accrual basis.

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 3.10 Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Statement of profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the end of the reporting period.

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

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

**Deferred tax assets** – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to off set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax liabilities / assets on change in fair value of investments not part of the profit or loss are recognised through OCI.

### 3.11 Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### 3.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 3.13 Dividend on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

### 3.14 Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### i) **Financial assets**

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL or at FVOCI.

Investments in equity instruments are measured at FVOCI and combination of different methodologies i.e. discounted cash flow method, comparable companies method and net assets method with different weightage has been used for fair valuations of investment in unquoted securities.

#### ii) **Trade and other receivables**

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

#### iii) **Financial liabilities**

Financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

### 3.15 Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) regularly notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules. For the fiscal year ending March 31, 2024, the MCA has not notified any new standards or amendments to the standards that are applicable to the company.



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 4. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
– Current accounts	13.11	18.80
– Bank deposits having maturity of three months or less of original maturities	-	270.00
Cash on hand	0.04	0.04
	<b>13.15</b>	<b>288.84</b>

### 5. Bank balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits due to mature after three months of original maturities but not more than twelve months of the reporting date	247.00	210.00
	<b>247.00</b>	<b>210.00</b>

### 6. Investments

(₹ in lakhs)

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2024	As at 31 March 2023
<b>Equity shares (fully paid) carried at FVOCI - (Quoted)</b>				
– Avadh Sugar & Energy Ltd.	13,614	10.00	72.30	59.38
– Magadh Sugar & Energy Ltd.	20,238	10.00	108.65	64.60
– Ganges Securities Ltd.	16,060	10.00	18.44	15.17
			<b>199.39</b>	<b>139.15</b>
<b>Equity shares (fully paid) carried at FVOCI - (Unquoted)</b>				
– Birla Buildings Ltd.	1,920	10.00	99.34	77.63
– Moon Corporation Ltd. ('A' Class)	745	100.00	36.23	37.27
– Moon Corporation Ltd. ('B' Class)	2,502	5.00	6.08	6.26
– The Oudh Trading Company Pvt. Ltd.	25	100.00	8.69	8.44
			<b>150.34</b>	<b>129.60</b>

**Notes to financial statements** as at and for the year ended 31 Mar 2024 (Contd.)**6. Investments (Contd.)**

(₹ in lakhs)

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2024	As at 31 March 2023
<b>Equity shares (fully paid) of Subsidiaries carried at amortised cost - (Unquoted)</b>				
– Morton Foods Ltd.	1,15,49,930	10.00	1,446.75	1,446.75
– Champaran Marketing Company Ltd.	43,49,000	2.50	192.96	192.96
– Hargaon Investment & Trading Ltd.	30,45,727	10.00	609.14	609.14
– OSM Investment & Trading Company Ltd.	17,40,418	10.00	261.06	261.06
			<b>2,509.91</b>	<b>2,509.91</b>
			<b>2,859.64</b>	<b>2,778.66</b>
<b>Investments outside India</b>			-	-
<b>Investments in India</b>			2,859.64	2,778.66
			<b>2,859.64</b>	<b>2,778.66</b>

- (a) The Company received dividends other than from subsidiaries of ₹ 2.87 lakhs (31 March 2023: ₹ 2.82 lakhs) from its investments in equity shares, carried at FVOCI, recognised as dividend income.
- (b) The Company has designated its equity investments at FVOCI on the basis that these are not held for trading and held for strategic purposes.
- (c) No strategic investment was disposed off during 2023-24 other than disclosed in note 16 and there were no transfer of any cumulative gain or loss within equity relating to these investments.

**7. Other Financial Assets**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<i>At amortised cost</i>		
Security deposits	0.60	0.60
Interest accrued on bank deposits	7.71	3.25
	<b>8.31</b>	<b>3.85</b>

**8. Current Tax Assets (net)**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax deducted at sources	8.58	51.87
Less: Provision for taxation	4.27	41.37
	<b>4.31</b>	<b>10.50</b>

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 9. Investment Property and Property, Plant and Equipment (PPE)

(₹ in lakhs)

Particulars	Investment Property			PPE - Buildings
	Freehold Land	Buildings	Total	
<b>Reconciliation of carrying amount</b>				
<b>Cost or deemed cost (gross carrying amount)</b>				
Balance at 1 April 2023	9.89	36.25	46.14	0.08
Additions during the year	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>9.89</b>	<b>36.25</b>	<b>46.14</b>	<b>0.08</b>
Balance at 1 April 2022	9.89	36.25	46.14	0.08
Additions during the year	-	-	-	-
Balance at 31 March 2023	<b>9.89</b>	<b>36.25</b>	<b>46.14</b>	<b>0.08</b>
<b>Accumulated depreciation</b>				
Balance at 1 April 2023	-	10.92	10.92	0.04
Depreciation for the year	-	1.72	1.72	0.01
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>12.64</b>	<b>12.64</b>	<b>0.05</b>
Balance at 1 April 2022	-	8.88	8.88	0.03
Depreciation for the year	-	2.04	2.04	0.01
Balance at 31 March 2023	-	<b>10.92</b>	<b>10.92</b>	<b>0.04</b>
<b>Carrying amount (net)</b>				
<b>At 31 March 2024</b>	<b>9.89</b>	<b>23.61</b>	<b>33.50</b>	<b>0.03</b>
At 31 March 2023	9.89	25.33	35.22	0.04

**Note\*:-**

- The Company has not revalued its property, plant and equipment during the year and the previous financial year.
- Refer note 27 for title deeds not held in the name of the Company
- There is no proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**Fair value of the above-mentioned investment property is as under:**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Freehold Land along with Building	1,355.83	1,274.00

**Note:** For the purpose of valuation of the aforesaid investment property, the Company has referred the circle rate decided by the appropriate authority and no independent report of valuation has been obtained from registered valuer.

**The amounts recognised in profit or loss for:**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Rental income from investment property	35.02	35.02
(ii) Expenses (including tax, insurance, repairs and maintenance etc.) other than depreciation in relation to investment property that generated rental income during the year; and	1.48	8.23
(iii) Expenses (including tax, insurance, repairs and maintenance etc.) other than depreciation in relation to investment property that did not generate rental income during the year	5.50	5.15

**Notes to financial statements** as at and for the year ended 31 Mar 2024 (Contd.)**10. Other Non-financial Assets**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<i>(Unsecured, considered good)</i>		
<b>Advances other than Capital Advances</b>		
Advances to suppliers	-	0.62
Other advances		
– Balance with	-	0.21
– Prepaid expenses	1.53	-
	<b>1.53</b>	<b>0.83</b>

**11. Payables**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Payables *		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.70	3.70
	<b>3.70</b>	<b>3.70</b>
<b>The following details relating to Micro enterprises and small enterprises are as under:</b>		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
<b>Total</b>	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

\* entire outstanding are unbilled.

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 12. Subordinated Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (at amortised cost)	-	259.16
	-	259.16

**Rights, preferences and restrictions attached to 8.5% non-convertible cumulative redeemable preference shares of ₹ 10 each:** NCCRPS were redeemed at par on 2 August 2023 being twelve years and one day from the date of the original allotment i.e. 1 August 2011. The dividend @ 8.5% per annum was paid at the time of redemption of the NCCRPS.

### 13. Deferred Tax Liabilities (net)

The Company has recognised deferred tax liabilities / (asset) as per the Company's Accounting Policies (refer Note 3.10).

The breakup of Deferred tax liabilities and assets are as under:

(₹ in lakhs)

Particulars	As at 1 April 2023	Recognised in profit or loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax liabilities</b>				
Investments - Unquoted Equity Shares	28.81		4.70	33.51
Investments - Quoted Equity Shares	6.07	-	8.20	14.27
	<b>34.88</b>	-	<b>12.90</b>	<b>47.78</b>
<b>Deferred tax assets</b>	-	-	-	-
<b>Net deferred tax liabilities</b>	<b>34.88</b>	-	<b>12.90</b>	<b>47.78</b>

(₹ in lakhs)

Particulars	As at 1 April 2023	Recognised in profit or loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax liabilities</b>				
Investments - Unquoted Equity Shares	20.31	-	8.50	28.81
Investments - Quoted Equity Shares	11.21	-	(5.14)	6.07
	<b>31.52</b>	-	<b>3.36</b>	<b>34.88</b>
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	200.13	(200.13)	-	-
Investments - Quoted Equity Shares	-	-	-	-
	<b>200.13</b>	<b>(200.13)</b>	-	-
Less : Deferred tax assets not recognised	168.61	(200.13)	31.52	-
	<b>31.52</b>	-	<b>(31.52)</b>	-
<b>Net deferred tax liabilities</b>	-	-	<b>34.88</b>	<b>34.88</b>

**Notes to financial statements** as at and for the year ended 31 Mar 2024 (Contd.)**14. Other Non-financial Liabilities**

(₹ in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Statutory dues	1.39	0.04
Deferred income on security deposits	-	-
	<b>1.39</b>	<b>0.04</b>

**15. Share Capital**

(₹ in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Authorised:</b>		
1,35,00,000 equity shares of ₹ 10 each	1,350.00	1,350.00
15,00,000 preference shares of ₹ 10 each	150.00	150.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
1,00,03,102 equity shares of ₹ 10 each	1,000.31	1,000.31
	<b>1,000.31</b>	<b>1,000.31</b>

**(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning and at the end of the year	1,00,03,102	1,000.31	1,00,03,102	1,000.31

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares with par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

**(c) Particulars of shareholder's holding more than 5% shares**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
<b>Equity shares of ₹ 10 each fully paid up held by</b>				
Ganges Securities Ltd.	12,83,234	12.83	12,83,234	12.83
SCM Investment & Trading Co. Ltd.	10,78,958	10.79	10,78,958	10.79
New India Retailing & Investment Ltd.	10,71,532	10.71	10,71,532	10.71
RTM Investment & Trading Co. Ltd.	9,04,951	9.05	9,04,951	9.05
Deepshikha Trading Co. Pvt. Ltd.	6,88,741	6.89	6,88,741	6.89
Sonali Commercial Ltd.	5,62,658	5.62	5,62,658	5.62
Ronson Traders Ltd.	5,38,463	5.38	5,38,463	5.38
<b>NCCRPS of ₹ 10 each fully paid up held by</b>				
Sutlej Textiles & Industries Ltd.	-	-	13,00,000	100.00

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 15. Share Capital (Contd.)

(d) Details of shares held by promoters:

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
<b>Equity shares of ₹ 10 each fully paid up held by</b>						
<b>As on 31 March 2024</b>						
1	Ganges Securities Ltd.	12,83,234	-	12,83,234	12.8284%	-
2	SCM Investment & Trading Co. Ltd.	10,78,958	-	10,78,958	10.7862%	-
3	New India Retailing & Investment Ltd.	10,71,532	-	10,71,532	10.7120%	-
4	RTM Investment & Trading Co. Ltd.	9,04,951	-	9,04,951	9.0467%	-
5	Deepshikha Trading Co. Pvt. Ltd.	6,88,741	-	6,88,741	6.8853%	-
6	Sonali Commercial Ltd.	5,62,658	-	5,62,658	5.6248%	-
7	Ronson Traders Ltd.	5,38,463	-	5,38,463	5.3830%	-
8	Sidh Enterprises Ltd.	3,06,658	-	3,06,658	3.0656%	-
9	Yashovardhan Investment & Trading Co. Ltd.	3,04,715	-	3,04,715	3.0462%	-
10	Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]	2,21,039	25,816	2,46,855	2.4678%	0.2581%
11	Uttam Commercial Ltd.	1,67,643	-	1,67,643	1.6759%	-
12	Mr. Chandra Shekhar Nopany	28,468	-	28,468	0.2846%	-
13	Rajpur Farms Ltd.	15,315	-	15,315	0.1531%	-
14	Narkatiaganj Farms Ltd.	9,756	-	9,756	0.0975%	-
15	Mrs. Nandini Nopany	4,425	-	4,425	0.0442%	-
16	The Oudh Trading Co. Pvt. Ltd.	477	-	477	0.0048%	-
		<b>71,87,033</b>	<b>25,816</b>	<b>72,12,849</b>	<b>72.1061%</b>	<b>0.2581%</b>
<b>As on 31 March 2023</b>						
1	Ganges Securities Ltd.	12,83,234	-	12,83,234	12.8284%	-
2	SCM Investment & Trading Co. Ltd.	10,78,958	-	10,78,958	10.7862%	-
3	New India Retailing & Investment Ltd.	10,71,532	-	10,71,532	10.7120%	-
4	RTM Investment & Trading Co. Ltd.	9,04,951	-	9,04,951	9.0467%	-
5	Deepshikha Trading Co. Pvt. Ltd.	6,88,741	-	6,88,741	6.8853%	-
6	Sonali Commercial Ltd.	5,62,658	-	5,62,658	5.6248%	-
7	Ronson Traders Ltd.	5,38,463	-	5,38,463	5.3830%	-
8	Sidh Enterprises Ltd.	3,06,658	-	3,06,658	3.0656%	-
9	Yashovardhan Investment & Trading Co. Ltd.	3,04,715	-	3,04,715	3.0462%	-
10	Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]	2,04,934	16,105	2,21,039	2.2097%	0.1610%
11	Uttam Commercial Ltd.	1,67,643	-	1,67,643	1.6759%	-
12	Mr. Chandra Shekhar Nopany	28,468	-	28,468	0.2846%	-
13	Rajpur Farms Ltd.	15,315	-	15,315	0.1531%	-
14	Narkatiaganj Farms Ltd.	9,756	-	9,756	0.0975%	-
15	Mrs. Nandini Nopany	4,425	-	4,425	0.0442%	-
16	The Oudh Trading Co. Pvt. Ltd.	477	-	477	0.0048%	-
		<b>71,70,928</b>	<b>16,105</b>	<b>71,87,033</b>	<b>71.8480%</b>	<b>0.1610%</b>
<b>8.5% NCCRPS of ₹ 100 each fully paid up held by</b>						
<b>As on 31 March 2023</b>						
1	Sutlej Textiles & Industries Ltd.	13,00,000	-	13,00,000	100.0000%	-
		<b>13,00,000</b>	<b>-</b>	<b>13,00,000</b>	<b>100.0000%</b>	<b>-</b>

**Notes to financial statements** as at and for the year ended 31 Mar 2024 (Contd.)**16. Other Equity**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Capital Reserve</b>		
Balance at the beginning and at the end of the year	1,635.40	1,635.40
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	130.00	-
Add: Transfer from Retained Earnings	-	130.00
Balance at the end of the year	130.00	130.00
<b>Retained Earnings</b>		
Balance at the beginning of the year	44.93	(251.34)
Add: Profit for the year	16.36	426.34
Less: Transfer to Capital Redemption Reserve	-	(130.00)
Amount adjusted with Equity Instruments through OCI *	-	(0.07)
Balance at the end of the year	61.29	44.93
<b>Equity Instruments through OCI</b>		
Balance at the beginning of the year	219.52	262.17
Add / (Less): Net change in fair value for the year	68.08	(42.72)
Amount adjusted with Retained Earnings *	-	0.07
Balance at the end of the year	287.60	219.52
	<b>2,114.29</b>	<b>2,029.85</b>

\* On written-off 70 equity share of Bihar State Financial Corporation Ltd., classified as Investment (unquoted) carried through FVOCI.

**17. Interest Income**

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
On financial assets measured at amortised		
Interest on security deposits	-	0.66
Interest on bank deposits	20.44	11.07
	<b>20.44</b>	<b>11.73</b>

**18. Other Income**

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on refund from income tax department	0.47	2.82
	<b>0.47</b>	<b>2.82</b>



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 19. Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<i>On Financial Liabilities measured at amortised cost:</i>		
Interest on Deposits	-	0.77
Interest on Subordinated Liabilities	3.57	9.95
	<b>3.57</b>	<b>10.72</b>

### 20. Fees and Commission Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Listing and Other Regulatory Fees	7.43	7.37
Fees related to ROC matters	0.11	0.08
	<b>7.54</b>	<b>7.45</b>

### 21. Depreciation Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on Investment Property [Note 9]	1.72	2.04
Depreciation on Property, Plant and Equipment [Note 9]	0.01	0.01
	<b>1.73</b>	<b>2.05</b>

### 22. Other Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
Rent, Tax and Energy Costs		2.07		2.07
Repairs and Maintenance		4.91		11.31
Printing and Stationery		3.29		3.65
Advertisement and Publicity		1.23		0.96
Director's Sitting Fees [Note 28]		1.75		1.90
Auditor's Fee and Expenses				
<i>As Auditors</i>				
- Statutory audit	1.50		1.50	
- Limited review of quarterly results	0.75		0.75	
<i>In other capacity</i>				
- For certificates and other services	3.25	5.50	3.25	5.50
Legal and Professional Charges		5.69		7.62
Insurance		0.62		0.58
Other Expenses		0.27		0.73
		<b>25.33</b>		<b>34.32</b>

**Notes to financial statements** as at and for the year ended 31 Mar 2024 (Contd.)**23. Tax expense**

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
<b>Current tax</b>	4.27	41.37
<b>Deferred tax</b>		
Attributable to origination and reversal of temporary differences	-	-
	<b>4.27</b>	<b>41.37</b>

**Reconciliation of effective tax**

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Rate	₹ in lakhs	Rate	₹ in lakhs
<b>Profit before tax</b>		20.63		467.71
Tax using the Company's domestic tax rate	25.168%	5.19	25.168%	117.71
Tax effect of:				
– Deferred tax expense adjusted with deferred tax assets not recognised including impact of business loss lapsed		-		(83.65)
– Interest expense on Preference shares classified as subordinated liability not deductible for tax purposes		0.90		2.50
– Others (including permanent differences)		(1.82)		4.81
<b>Effective tax</b>		<b>4.27</b>		<b>41.37</b>

**24. Earnings per equity share (EPS)****Basic and Diluted earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
(i) Profit attributable to equity shareholders (₹ in lakhs)	16.36	426.34
(ii) Weighted average number of equity shares for the year		
At the beginning and at the end of the year	1,00,03,102	1,00,03,102
(iii) <b>Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]</b>		
Basic and Diluted (₹)	<b>0.16</b>	<b>4.26</b>

There is no dilutive potential equity share.

**25.** The Company has only one business segment i.e. Investing Business and as such segment reporting as required by Ind AS 108 *Operating Segments* is not applicable.

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 26. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakhs)

Particulars	As at 31 March 2024		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	13.15	-	13.15
Bank Balance other than above	247.00	-	247.00
Investments	-	2,859.64	2,859.64
Other Financial Assets	7.71	0.60	8.31
<i>Non-financial Assets:</i>			
Current Tax Assets (net)	4.31	-	4.31
Investment Property	-	33.50	33.50
Property, Plant and Equipment	-	0.03	0.03
Other Non-financial Assets	1.53	-	1.53
<b>Total Assets</b>	<b>273.70</b>	<b>2,893.77</b>	<b>3,167.47</b>
<i>Financial Liabilities:</i>			
Payables	3.70	-	3.70
<i>Non-financial Liabilities:</i>			
Deferred Tax Liabilities (Net)	-	47.78	47.78
Other Non-financial Liabilities	1.39	-	1.39
<b>Total Liabilities</b>	<b>5.09</b>	<b>47.78</b>	<b>52.87</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>268.61</b>	<b>2,845.99</b>	<b>3,114.60</b>

(₹ in lakhs)

Particulars	As at 31 March 2023		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	288.84	-	288.84
Bank Balance other than above	210.00	-	210.00
Investments	-	2,778.66	2,778.66
Other Financial Assets	3.25	0.60	3.85
<i>Non-financial Assets:</i>			
Current Tax Assets (net)	10.50	-	10.50
Investment Property	-	35.22	35.22
Property, Plant and Equipment	-	0.04	0.04
Other Non-financial Assets	0.83	-	0.83
<b>Total Assets</b>	<b>513.42</b>	<b>2,814.52</b>	<b>3,327.94</b>
<i>Financial Liabilities:</i>			
Payables	3.70	-	3.70
Subordinated Liabilities	259.16	-	259.16
<i>Non-financial Liabilities:</i>			
Deferred Tax Liabilities (Net)	-	34.88	34.88
Other Non-financial Liabilities	0.04	-	0.04
<b>Total Liabilities</b>	<b>262.90</b>	<b>34.88</b>	<b>297.78</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>250.52</b>	<b>2,779.64</b>	<b>3,030.16</b>



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 27. The title deeds of following immovable properties are not held in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative # of promoter * / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
<i>As on 31 March 2024 and As on 31 March 2023 both</i>						
Investment Property	Freehold Land	9.89	The erstwhile company : The Oudh Sugar Mills Limited	No	1 April 2015	Mutation in the name of the Company is pending.

# Relative here means relative as defined in the Companies Act, 2013.

\* Promoter here means promoter as defined in the Companies Act, 2013.

### 28. Related Party Disclosures

In accordance with the requirements of Ind AS 24 Related Party Disclosures, names of the related parties, related party relationships, transactions and outstanding balances, where control exist and with whom transactions have been taken place during the reported periods are:

#### A. Names of related parties and related party relationship

Related parties where control exist / with whom transactions have been taken place during the year

##### Wholly owned Subsidiary Companies

Morton Foods Limited	- Subsidiary
Champaran Marketing Company Limited	- Subsidiary
Hargaon Investment & Trading Company Limited	- Subsidiary
OSM Investment & Trading Company Limited	- Subsidiary
Hargaon Properties Limited	- Step down Subsidiary

##### Key management personnel

Mrs. Shalini Nopany	- Chairperson / Non-Executive Director
Mr. Arun Kumar Newar	- Independent / Non-Executive Director
Mr. Chand Bihari Patodia	- Managing Director
Mr. Deepak Kumar Sharma	- Chief Financial Officer
Mr. Chhedi Lal Agarwal	- Independent / Non-Executive Director
Mr. Dinesh Kacholia	- Independent / Non-Executive Director
Mr. Suresh Kumar Khandelia	- Independent / Non-Executive Director
Mr. Vikram Mishra	- Company Secretary (from 12 January 2023)
Ms. Mayuri Raja	- Company Secretary (upto 12 January 2023)

## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 28. Related Party Disclosures (Contd.)

#### B. The following transactions were carried out with related parties in the ordinary course of business:

##### (a) Director's sitting fees

(₹ in lakhs)

Particulars	Year ended 31 March	Director's sitting fees	Amount owed to related parties
Mrs. Shalini Nopany	2024	0.20	-
	2023	0.20	-
Mr. Arun Kumar Newar	2024	0.45	-
	2023	0.50	-
Mr. Chhedi Lal Agarwal	2024	0.45	-
	2023	0.50	-
Mr. Dinesh Kacholia	2024	0.45	-
	2023	0.50	-
Mr. Suresh Kumar Khandelia	2024	0.20	-
	2023	0.20	-

##### (b) Investments in Equity Shares / Dividend Income thereon

(₹ in lakhs)

Particulars	Year ended 31 March	Investments made in equity shares	Investments in equity shares at the end of year	Dividend Income	Amount owed by related parties
Morton Foods Limited	2024	-	1,446.75	-	-
	2023	-	1,446.75	-	-
Champaran Marketing Company Limited	2024	-	192.96	-	-
	2023	-	192.96	108.72	-
Hargaon Investment & Trading Company Limited	2024	-	609.14	-	-
	2023	-	609.14	274.12	-
OSM Investment & Trading Company Limited	2024	-	261.06	-	-
	2023	-	261.06	87.02	-

C. The Company, being CIC, is not required to disclose details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013.

#### D. Terms and conditions of transactions with related parties

- The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- Neither amount is outstanding nor receivable. Neither guarantees have been given nor received.
- For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- The sitting fees of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 29. Financial instruments - fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
<b>As at 31 March 2024</b>					
<b>Financial assets</b>					
Investment in equity shares (Quoted)	-	199.39	-	199.39	199.39
Investment in equity shares (Unquoted)	-	150.34	-	150.34	150.34
Cash and cash equivalents	-	-	13.15	13.15	13.15
Bank balances other than Cash and cash equivalents			247.00	247.00	247.00
Investment in subsidiaries	-	-	2,509.91	2,509.91	2,509.91
Other financial assets	-	-	8.31	8.31	8.31
	-	<b>349.73</b>	<b>2,778.37</b>	<b>3,128.10</b>	<b>3,128.10</b>
<b>Financial liabilities</b>					
Payables	-	-	3.70	3.70	3.70
Subordinated liabilities	-	-	-	-	-
	-	-	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>
<b>As at 31 March 2023</b>					
<b>Financial assets</b>					
Investment in equity shares (Quoted)	-	139.15	-	139.15	139.15
Investment in equity shares (Unquoted)	-	129.60	-	129.60	129.60
Cash and cash equivalents	-	-	288.84	288.84	288.84
Bank balances other than Cash and cash equivalents			210.00	210.00	210.00
Investment in subsidiaries	-	-	2,509.91	2,509.91	2,509.91
Other financial assets	-	-	3.85	3.85	3.85
	-	<b>268.75</b>	<b>3,012.60</b>	<b>3,281.35</b>	<b>3,281.35</b>
<b>Financial liabilities</b>					
Payables	-	-	3.70	3.70	3.70
Subordinated liabilities	-	-	259.16	259.16	259.16
	-	-	<b>262.86</b>	<b>262.86</b>	<b>262.86</b>

#### The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted investments are based on market price at the respective reporting date.
- The fair value of the unquoted investments are based on independent valuation report, using combination of different methodologies i.e. discounted cash flow method and net assets method with equal weightage.

**Notes to financial statements** as at and for the year ended 31 Mar 2024 (Contd.)**29. Financial instruments - fair values and risk management (Contd.)****B. Measurement of fair values**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels.

Financial assets and liabilities measured at fair value - recurring fair value measurements as under:

Particulars	Note	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2024</b>					
Investment in equity shares (Quoted)	6	199.39	-	-	199.39
Investment in equity shares (Unquoted)	6	-	-	150.34	150.34
<b>As at 31 March 2023</b>					
Investment in equity shares (Quoted)	6	139.15	-	-	139.15
Investment in equity shares (Unquoted)	6	-	-	129.60	129.60

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

**Risk management framework**

The Company's principal financial liabilities includes payable, deposits, subordinated liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents, receivables, investments and other financial assets that derive directly from its operations.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

**(i) Credit risk**

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**Receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 29. Financial instruments - fair values and risk management (Contd.)

is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of receivable on case to case basis and has accordingly created loss allowance on receivables.

#### Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Company evaluates the concentration of risk with respect to receivables as low, as the Company's income are mostly on cash.

Receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for receivables.

The Company's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

#### (ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

#### Exposure to liquidity risks

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

Particulars	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
<b>As at 31 March 2024</b>						
Payables	3.70	3.70	3.70	-	-	-
	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	-	-	-
<b>As at 31 March 2023</b>						
Payables	3.70	3.70	3.70	-	-	-
Subordinated Liabilities*	259.16	262.66	262.66	-	-	-
	<b>262.86</b>	<b>266.36</b>	<b>266.36</b>	-	-	-

\* including estimated interest / dividend as finance cost.



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 29. Financial instruments - fair values and risk management (Contd.)

#### (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and payables.

#### Foreign currency risks

All transactions of the Company are in Indian currency, consequently Company is not exposed to foreign currency risk. The Company has no outstanding foreign currency exposure or related derivative contract.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

#### Exposure to interest rate risks

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Fixed rate instruments</b>		
Financial assets	247.00	480.00
Financial liabilities	-	259.16
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

#### Cash flow sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

#### Equity risk

The Company's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

#### Sensitivity analysis

Investment in equity instruments (Quoted) of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Company's equity and profit for the period. The analysis is based on the assumption that the BSE had increased / decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

(₹ in lakhs)

Particulars	Profit or loss before tax		Equity, net of tax	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
BSE - increase by 10%	19.94	13.92	17.66	12.33
BSE - decrease by 10%	(19.94)	(13.92)	(17.66)	(12.33)

#### Regulatory risk

The Company's operations is significantly regulated by neither by Central Government nor by State Government. Hence, Regulatory risk to the Company is very low.



## Notes to financial statements as at and for the year ended 31 Mar 2024 (Contd.)

### 30. As per RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 19 2022, the following disclosures are as under:

#### A) Exposure

##### 1) Exposure to capital market

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	2,859.64	2,778.66

##### 2) Intra-group exposures

Particulars	As at 31 March 2024	As at 31 March 2023
i) Total amount of intra-group exposures	2,859.64	2,778.66
ii) Total amount of top 20 intra-group exposures	2,859.64	2,778.66
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers	100%	100%

#### B) Related Party Disclosure

Disclosed in Note 28.

## 31. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

## 32. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Change (%)
Capital to risk-weighted assets ratio (CRAR)	Total Capital Fund	Total Risk Weighted Assets	1.6489	2.3883	(30.96%)
					[Explanation in Note below]
Tier I CRAR	Capital Fund - Tier I	Total Risk Weighted Assets	1.6489	1.6065	2.64%
Tier II CRAR	Capital Fund - Tier II	Total Risk Weighted Assets	-	0.7818	(100.00%)
					[Explanation in Note below]

**Note:** Change in the above-mentioned ratios is more than 25% as compared to the preceding year due to decrease in net profit for the year and redemption of 8.5% Non-Convertible Cumulative Redeemable Preference Shares.

### 33. The previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year' classification / disclosure.

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner

Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

**For and on behalf of the Board of Directors****Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Vikram Kumar Mishra**

Company Secretary

**Shalini Nopany**

Director

DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

## Independent Auditors' Report

To the Members of  
**Palash Securities Limited**

### Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of M/s. **PALASH SECURITIES LIMITED** (hereinafter referred to as "the Company") and its subsidiaries (the Company and its Subsidiaries together referred to as the "the Group") which comprise the Consolidated Balance Sheet as at March 31 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of material accounting policies and other explanatory information ("the Consolidated Financial Statements").

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statements of the subsidiary companies except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our report, aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended ("IND AS") and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2024 and their Consolidated Loss, their Consolidated Total Comprehensive Income, their Consolidated Cash Flows and their Consolidated Statement of Changes in Equity for the year ended on that date.

### Basis for Qualified Opinion

As indicated in Note No. 21 to the accompanying consolidated financial statement where one of the subsidiary company M/s. Morton Foods Limited (MFL) (Formerly known as Allahabad Canning Ltd.), not audited by us, the other auditor who audited the subsidiary has reported that the subsidiary MFL has recognised Deferred Tax Asset (net) of Rs. 450.53 Lakhs for the year ended in March 31, 2022, based on the future profitability projections made by the Management. The subsidiary MFL, however, has not recognised any further DTA during the current year the year ended March 31, 2024 and the previous year ending March 31, 2023 as a matter of prudence. In their opinion, in the absence of convincing evidence, sufficient taxable profit will be available in future against which the unused tax losses can be utilised by the entity, as required in terms of Indian Accounting Standard 12, had the MFL reversed the above DTA, loss before tax for the year ended March 31, 2024 would have been Rs. 2,453.19 Lakhs as against the reported loss of Rs. 2,002.66 Lakhs and other equity would have been Rs. (242.73) Lakhs as against the reported figure of Rs. 207.80 Lakhs. This matter was also qualified in our audit report on the accompanying consolidated financial statement.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company and subsidiaries in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 qualified opinion on the Consolidated Ind AS Financial Statements.



### Emphasis of Matter Paragraph

We draw your attention to Note No. 40 of the accompanying Ind AS Consolidated Financial Statements where one of the subsidiary company, M/s Morton Foods Limited (MFL) (formerly known as Allahabad Canning Limited) indicates the fact that the MFL has incurred a net loss before tax of Rs. 2,002.66 Lakhs during the year ended 31st March 2024 and as of that date the net worth of the Company is substantially eroded. The same has not been audited by us. These events or condition indicate the existence of uncertainty about the MFL's ability to continue as a going concern. However, the financial statements of MFL has been prepared on a going concern basis based on the reason stated in the aforesaid note.

Our Opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This section of auditor's report is intended to describe the matters communicated with those charged with governance that the auditor has determined, in the auditor's professional judgement, were of most significance in the audit of the financial statements and the auditor has determined that there are no matters to report.

### Information other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Board of Director's Report, Report on Corporate Governance, Management Discussion & Analysis Report, Business Responsibility Report, Shareholder information, etc., but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Consolidated Ind AS financial statements, our responsibility is to read the other information compare with the financial statements of the subsidiary companies, audited by the other auditors to the extent it relates to these entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their financial statements audited by other auditors.

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.

### Responsibilities of the Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (IND AS) specified under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Company and of its subsidiary companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the Company and of its subsidiary companies are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company and of its subsidiary companies are responsible for overseeing the financial reporting process of group.

### **Auditor's Responsibilities for the audit of the Consolidated Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company and its subsidiary companies to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

## Other Matters

We did not audit the financial statements of 4 subsidiary companies (Except Champaran Marketing Company Limited which has been audited by us) included in the Group whose financial statements reflect total assets of Rs. 48,603.07 Lakhs as at March 31, 2024, total revenue of Rs. 3,961.86 Lakhs, total net profit after tax of Rs. (1,675.39) Lakhs, total comprehensive income of Rs. 7,342.45 Lakhs and net cash inflows/(outflows) amounting to Rs. (457.18) Lakhs for the year ended March 31, 2024, as considered in the Consolidated Ind AS Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these aforesaid subsidiary companies and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies, is based solely on the report of the other auditors.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

## Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of audit report of the other auditors and on separate financial statements of the subsidiary companies as were audited by other auditors, as noted in the 'Other Matter' paragraph, we report to the extent applicable 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 of the aforesaid Consolidated Ind AS Financial Statements.
- b) Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**” which is based on the auditors’ reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:  

In our opinion and to the best of our information and according to the explanations given to us, no remuneration paid by the Company and its subsidiary to its directors during the year.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with the Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of such subsidiaries, as noted in the ‘Other matter’ paragraph:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31st March 2024 on the consolidated financial position of the company and subsidiaries company. (Refer Note 39 to the Consolidated Financial Statement).
  - ii. The company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
  - iv. (a) The respective Management of the Company and its subsidiary companies incorporated in India, whose financial statements have been audited under the act, have represented to us and to the other auditors of such subsidiaries, that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- b) The respective Managements of the Company and its subsidiary companies which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of its knowledge and belief, other than as disclosed in financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Company has neither declared nor paid dividend during the previous year. The Board of Directors of the Company have also not proposed dividend for the current year.
- vi. Based on our examination which included test checks, the Company and its subsidiary Companies have used accounting software for maintaining its books of accounts for the financial year ended 31st March 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being disabled or tampered with during the course of our audit except the following instance:
- For the subsidiary, Morton Foods Limited, the feature of recording audit trail (edit log) facility was not enabled at the database level for the FactoHR payroll software to log any direct data changes.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirement of the Guidance Note on CARO:

Sl. No.	Name of the Entities	CIN	Holding Company/ subsidiary/ associate/joint venture	Clause No. of the CARO Report
1	Morton Foods Limited (Formerly known as Allahabad Canning Limited)	U15122UP20 15PLC069645	Subsidiary Company	Clause (ii)(b) Clause (vii)(b) Clause (ix)(a) Clause(xvii) Clause(xix)

For, **Agrawal Subodh & Co.**  
Chartered Accountants  
Firm's Registration No – 319260E

**Prosanta Mukherjee**  
Partner  
Membership No. – 053651  
UDIN: 24053651BKDAUP9908

Place: Kolkata  
Date: 15th May 2024



## Annexure – A

### to the Independent Auditors' Report on the Consolidated Ind AS Financial Statements of Palash Securities Limited as on 31st March 2024

*(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the Consolidated Ind AS financial statements as on 31st March, 2024)*

### 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 with reference to the Consolidated Ind AS Financial Statement over financial reporting of Palash Securities Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The respective management of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated Ind AS financial statements based on the internal controls over financial reporting criteria established by the respective companies 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the Consolidated Ind AS Financial Statements of the Company and its Subsidiary Companies, which are companies incorporated in India, we conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs 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 to the Consolidated 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 the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its subsidiary's companies the internal financial controls with reference to the Consolidated Ind AS Financial Statements.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Consolidated 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies which is company incorporated in India, is based solely on the corresponding reports of the auditor of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

Place: Kolkata

Date: 15th May 2024

For, **Agrawal Subodh & Co.**

Chartered Accountants

Firm's Registration No – 319260E

**Prosanta Mukherjee**

Partner

Membership No. – 053651

UDIN: 24053651BKDAUP9908

## Consolidated Balance Sheet as at 31 March 2024

₹ in lakhs

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and Cash Equivalents	4	35.93	995.32
(b) Bank Balances other than (a) above	5	998.42	210.00
(c) Receivables			
(I) Trade Receivables	6	435.46	248.65
(II) Other Receivables	6	-	-
(d) Investments	7	48,583.00	34,923.24
(e) Other Financial Assets	8	64.34	24.87
Total Financial Assets		50,117.15	36,402.08
<b>2. Non-financial Assets</b>			
(a) Inventories	9	1,034.16	1,797.70
(b) Current Tax Assets (net)	10	9.05	11.74
(c) Investment Property	11	33.50	35.22
(d) Property, Plant and Equipment	12	4,580.74	4,635.46
(e) Intangible Assets	13	32.11	46.41
(f) Other Non-financial Assets	14	180.21	490.02
Total Non-financial Assets		5,869.77	7,016.55
<b>TOTAL ASSETS</b>		<b>55,986.92</b>	<b>43,418.63</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1. Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	15	130.69	28.66
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15	860.06	925.66
(b) Borrowings (Other than Debt Securities)	16	3,021.00	1,969.60
(c) Subordinated Liabilities	17	-	259.16
(d) Other Financial Liabilities	18	172.32	163.59
Total Financial Liabilities		4,184.07	3,346.67
<b>2. Non-financial Liabilities</b>			
(a) Current Tax Liabilities (net)	19	-	0.58
(b) Provisions	20	65.92	98.71
(c) Deferred Tax Liabilities (net)	21	2,648.86	41.85
(d) Other Non-financial Liabilities	22	96.32	122.77
Total Non-financial Liabilities		2,811.10	263.91
<b>Total Liabilities</b>		<b>6,995.17</b>	<b>3,610.58</b>
<b>EQUITY</b>			
(a) Equity Share Capital	23	1,000.31	1,000.31
(b) Other Equity	24	47,280.76	37,485.36
Equity attributable to owners of the Company		48,281.07	38,485.67
Non-controlling interest	25	710.68	1,322.38
<b>Total Equity</b>		<b>48,991.75</b>	<b>39,808.05</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>55,986.92</b>	<b>43,418.63</b>
<b>Summary of significant accounting policies</b>	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants  
ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner  
Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

For and on behalf of the Board of Directors

**Chand Bihari Patodia**

Managing Director  
DIN: 01389238

**Vikram Kumar Mishra**

Company Secretary

**Shalini Nopany**

Director  
DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

**Consolidated Statement of Profit and Loss** for the year ended 31 March 2024

₹ in lakhs

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Revenue from Operations</b>			
(i) Interest Income	26	69.37	37.71
(ii) Dividend Income		523.52	743.28
(iii) Net gain on fair value changes	27	1.05	-
(iv) Sale of Products	28	3,500.96	4,538.41
<b>Total Revenue from Operations</b>		<b>4,094.90</b>	<b>5,319.40</b>
<b>II. Other Income</b>			
(i) Rental Income		35.02	35.02
(ii) Other Income	29	6.55	39.80
<b>Total Other Income</b>		<b>41.57</b>	<b>74.82</b>
<b>III. Total Income (I + II)</b>		<b>4,136.47</b>	<b>5,394.22</b>
<b>IV. Expenses</b>			
(i) Finance Costs	30	258.48	298.03
(ii) Fees and Commission Expense	31	8.23	9.23
(iii) Cost of Materials Consumed	32	696.81	1,051.70
(iv) Purchases of Stock-in-trade		1,076.14	1,595.74
(v) Changes in Inventories of Finished goods, Stock-in-trade and Work-in-progress	33	504.30	(121.90)
(vi) Employee Benefits Expenses	34	1,094.83	1,459.16
(vii) Depreciation and Amortisation	35	71.93	79.21
(viii) Other Expenses	36	1,859.37	2,477.62
<b>Total Expenses</b>		<b>5,570.09</b>	<b>6,848.79</b>
<b>V. Profit / (Loss) before Tax (III + IV)</b>		<b>(1,433.62)</b>	<b>(1,454.57)</b>
<b>VI. Tax expense</b>	37		
Current tax		142.27	171.99
Provision for tax related to earlier years		(0.14)	(0.83)
Deferred tax		0.27	-
<b>Total Tax expense</b>		<b>142.40</b>	<b>171.16</b>
<b>VII. Profit / (Loss) for the year (V - VI)</b>		<b>(1,576.02)</b>	<b>(1,625.73)</b>
<b>VIII. Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of defined benefit liability		7.76	20.78
(b) Equity investments through other comprehensive income - net change in fair value		13,358.70	(17,170.69)
(c) Income tax relating to items that will not be reclassified to profit or loss		(2,606.74)	1,539.89
<b>Other comprehensive income for the year, net of income tax</b>		<b>10,759.72</b>	<b>(15,610.02)</b>
<b>IX. Total comprehensive income for the year (VII + VIII)</b>		<b>9,183.70</b>	<b>(17,235.75)</b>
<b>X. Profit / (Loss) for the year attributable to:</b>			
Owner of the Company		(961.94)	(1,557.38)
Non-Controlling Interest		(614.08)	(68.35)
		<b>(1,576.02)</b>	<b>(1,625.73)</b>
<b>XI. Other comprehensive income for the year attributable to:</b>			
Owner of the Company		10,757.34	(15,610.67)
Non-Controlling Interest		2.38	0.65
		<b>10,759.72</b>	<b>(15,610.02)</b>
<b>XII. Total comprehensive income attributable to:</b>			
Owner of the Company		9,795.40	(17,168.05)
Non-Controlling Interest		(611.70)	(67.70)
		<b>9,183.70</b>	<b>(17,235.75)</b>
<b>XIII. Earnings per equity share [Nominal value per equity share ₹ 10 each]</b>	38		
(a) Basic (₹)		(9.62)	(15.57)
(b) Diluted (₹)		(9.62)	(15.57)
<b>Summary of significant accounting policies</b>	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner

Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

For and on behalf of the Board of Directors

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Vikram Kumar Mishra**

Company Secretary

**Shalini Nopany**

Director

DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

## Consolidated Statement of Changes in Equity for the year ended 31 March 2024

### A. Equity Share Capital

Particulars	Notes	As at 31 March 2024		As at 31 March 2023	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	23	1,00,03,102	1,000.31	1,00,03,102	1,000.31
Change in equity share capital during of the year		-	-	-	-
Balance at the end of the year	23	<b>1,00,03,102</b>	<b>1,000.31</b>	1,00,03,102	1,000.31

### B. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus					Items of OCI		Non-Controlling Interests	Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Reserve Fund	Retained Earnings	Revaluation Surplus - Land	Equity instruments through OCI		
<b>Balance as at 1 April 2023</b>	1,643.35	175.00	324.50	1,165.39	71.24	2,794.62	31,311.26	1,322.38	38,807.74
Total comprehensive income for the year									
- Profit / (Loss) for the year	-	-	-	-	(961.94)	-	-	(614.08)	(1,576.02)
- Remeasurement of defined benefit liability	-	-	-	-	5.38	-	-	2.38	7.76
- Net change in fair value of Equity investments	-	-	-	-	-	-	10,751.96	-	10,751.96
<b>Total comprehensive income</b>	-	-	-	-	<b>(956.56)</b>	-	<b>10,751.96</b>	<b>(611.70)</b>	<b>9,183.70</b>
Transfer to Capital Redemption Reserve / Reserve Fund from Retained Earnings	-	-	-	82.75	(82.75)	-	-	-	-
Amount adjusted with Retained Earnings and OCI	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>1,643.35</b>	<b>175.00</b>	<b>324.50</b>	<b>1,248.14</b>	<b>(968.07)</b>	<b>2,794.62</b>	<b>42,063.22</b>	<b>710.68</b>	<b>47,991.44</b>
Balance as at 1 April 2022	1,645.66	45.00	324.50	1,041.75	(190.44)	4,030.40	46,946.82	-	53,843.69
Adjustment for changes in ownership interests	(2.31)				2,047.81	(1,235.78)		1,390.08	2,199.80
Restated balance at the beginning of the year	1,643.35	45.00	324.50	1,041.75	1,857.37	2,794.62	46,946.82	1,390.08	56,043.49
Total comprehensive income for the year									
- Profit / (Loss) for the year	-	-	-	-	(1,557.38)	-	-	(68.35)	(1,625.73)
- Remeasurement of defined benefit liability	-	-	-	-	20.13	-	-	0.65	20.78
- Net change in fair value of Equity investments	-	-	-	-	-	-	(15,630.80)	-	(15,630.80)
<b>Total comprehensive income</b>	-	-	-	-	<b>(1,537.25)</b>	-	<b>(15,630.80)</b>	<b>(67.70)</b>	<b>(17,235.75)</b>
Transfer to Reserve Fund from Retained Earnings	-	130.00	-	123.64	(253.64)	-	-	-	-
Amount adjusted with Retained Earnings and OCI	-	-	-	-	4.76	-	(4.76)	-	-
Balance as at 31 March 2023	1,643.35	175.00	324.50	1,165.39	71.24	2,794.62	31,311.26	1,322.38	38,807.74

Consolidated Statement of Changes in Equity for the year ended 31 March 2024 (continued)

The description of purpose of each reserve mentioned above within equity is as follows:

- Capital Reserve**  
The difference between the net fair value of assets and liabilities acquired and shares issued pursuant to the scheme of arrangement approved in earlier year had been credited to Capital Reserve. Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and equity of each subsidiary and any difference between them is treated as Goodwill / Capital Reserve as the case may be.
- Capital Redemption Reserve**  
The Company and its subsidiaries had created "Capital Redemption Reserve" on redemption of preference shares in accordance with the Companies Act. The reserve may be applied in accordance with the provision of Section 69 of the Companies Act, 2013.
- General Reserve**  
The Company and its subsidiaries had created "General Reserve" on declaration of dividend in accordance with the Companies (Transfer of Profit to Reserve) Rules, 1975 read with the relevant provisions of the Companies Act, 1956. After enactment of the Companies Act, 2013, it is not mandatory on declaration of dividend. It is a free reserve.
- Retained Earnings**  
It comprise of accumulated profit of the Company after dividends or other distributions, if any, paid to shareholders.
- Reserve Fund**  
Some of its subsidiaries (NBFC's) had created "Reserve Fund" in accordance with provisions of Section 45-IC of the Reserve Bank of India Act, 1934.
- Revaluation Surplus - Land**  
Revaluation Surplus consists change in carrying amount of freehold land due to revaluation model adopted by a subsidiary.
- Equity instruments through OCI**  
The Company and its subsidiaries have elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Company and its subsidiaries transfer amounts therefrom to retained earnings when the relevant equity securities are derecognised.
- Non-Controlling Interests**  
Non-Controlling Interests consists amount attributable to other than owner of the Company. The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **Agrawal Subodh & Co.**  
Chartered Accountants  
ICAI Firm's Registration No.: 319260E  
**Prosanta Mukherjee**  
Partner  
Membership No.: 053651  
Place: Kolkata  
Date: 15 May 2024

**For and on behalf of the Board of Directors**  
**Chand Bihari Patodia**  
Managing Director  
DIN: 01389238  
**Vikram Kumar Mishra**  
Company Secretary  
**Shalini Nopany**  
Director  
DIN: 00077299  
**Deepak Kumar Sharma**  
Chief Financial Officer

**Consolidated Cash Flow Statement** for the year ended 31 March 2024

₹ in lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit / (Loss) before tax</b>	<b>(1,433.62)</b>	(1,454.57)
Adjustments for:		
Interest Income on Security Deposits	-	(0.66)
Unspent liabilities, Provision no longer required and Unclaimed balances written back	<b>(3.22)</b>	(33.51)
Net gain on fair value changes - Unrealised	<b>(1.05)</b>	-
Finance Costs	<b>258.48</b>	298.03
Depreciation and Amortisation	<b>71.93</b>	79.21
Provision for Warranties and Claims	<b>17.69</b>	36.53
Provision for Bad and Doubtful Debts	<b>63.51</b>	47.57
	<b>(1,026.28)</b>	<b>(1,027.40)</b>
<b>Working capital adjustments:</b>		
(Increase) / Decrease in Receivables	<b>(209.75)</b>	438.79
(Increase) / Decrease in Other Financial Assets	<b>(827.75)</b>	(212.28)
(Increase) in Inventories	<b>763.54</b>	(225.32)
(Increase) / Decrease in Other Non-financial Assets	<b>269.23</b>	(150.65)
(Decrease) / Increase in Payables	<b>39.65</b>	(54.03)
(Decrease) / Increase in Financial Liabilities	<b>(13.47)</b>	(14.69)
(Decrease) / Increase in Provisions	<b>(42.72)</b>	(42.47)
Increase / (Decrease) in Other Non-financial Liabilities	<b>(26.45)</b>	23.55
Cash (used in) / generated from Operations	<b>(1,074.00)</b>	<b>(1,264.50)</b>
Income tax paid (net)	<b>(140.16)</b>	(76.12)
<b>Net Cash (used in) / generated from Operating Activities</b>	<b>(1,214.16)</b>	<b>(1,340.62)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds from redemption of NCCRPS	-	40.03
Payments for purchase of investments	<b>(300.00)</b>	-
Acquisition of Property, Plant and Equipment / Other Intangible Assets	<b>(1.19)</b>	(11.91)
<b>Net Cash generated from / (used in) Investing Activities</b>	<b>(301.19)</b>	<b>28.12</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of equity share by a subsidiary	-	2,199.80
Repayment of Inter-corporate deposit	-	(1,000.00)
(Decrease) in Subordinated Liabilities	<b>(262.73)</b>	-
Inter-corporate deposit received from others	<b>1,550.00</b>	-
(Repayments of) / Proceeds from Current Borrowings (repayable on demand) (net)	<b>(498.60)</b>	906.64
Repayment of Deposits	-	(20.00)
Repayment of Lease liabilities	<b>(24.07)</b>	(19.45)
Interest on Lease liabilities paid	<b>(2.78)</b>	(4.99)
Other Interest paid	<b>(205.86)</b>	(265.11)
<b>Net Cash generated from / (used in) Financing Activities</b>	<b>555.96</b>	<b>1,796.89</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>(959.39)</b>	484.39
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>995.32</b>	510.93
<b>Cash &amp; Cash Equivalents at the end of the year [Note 4]</b>	<b>35.93</b>	995.32

Consolidated Cash Flow Statement for the year ended 31 March 2024 (continued)

**Change in Liability arising from financing activities**

₹ in lakhs

Particulars	As on 1 April 2023	Cash Flow	Change in Fair Value	As on 31 March 2024
Borrowings (other than Debt Securities) [Note 16]	1,969.60	1,051.40	-	3,021.00
Deposits	-	-	-	-
Subordinated Liabilities [Note 17]	259.16	(262.73)	3.57	-
Lease Liabilities [Note 18]	35.33	(26.85)	2.78	11.26
<b>Particulars</b>	<b>As on 1 April 2022</b>	<b>Cash Flow</b>	<b>Change in Fair Value</b>	<b>As on 31 March 2023</b>
Borrowings (other than Debt Securities) [Note 16]	2,062.96	(93.36)	-	1,969.60
Deposits	17.89	(20.00)	2.11	-
Subordinated Liabilities [Note 17]	249.21	-	9.95	259.16
Lease Liabilities [Note 18]	54.78	(24.44)	4.99	35.33

The above Cash Flows Statement has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'.

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner

Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

For and on behalf of the Board of Directors

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Vikram Kumar Mishra**

Company Secretary

**Shalini Nopany**

Director

DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

## Notes to Consolidated Financial Statements for the year ended 31 March 2024

### 1. Reporting entity

Palash Securities Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Post Office Hargaon, District Sitapur, Uttar Pradesh 261121. The Company together with its subsidiaries (collectively, the Group), is primarily engaged in investing and dealing etc. in securities mainly of group companies and immovable properties except one subsidiary, which is engaged in food processing business. Its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The Consolidated financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 15 May 2024.

### 2. Basis of preparation

#### 2.1 Statement of compliance

The company has adhered to all accounting policies in the preparation of these financial statements, ensuring compliance with the Indian Accounting Standards (Ind AS) as prescribed by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, in conjunction with the Companies (Indian Accounting Standards) Rules, as amended, and in accordance with Schedule III of the Companies Act, 2013, where applicable. The statement of cash flows which has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Details of Material Accounting Policies are included in Note 3

Effective 01st April 2023 the Company has applied the following amendments to existing standards which has been notified by the Ministry of Corporate Affairs ("MCA"):

**i. Ind AS 1, Presentation of Financial Statements:**

Effective for annual periods starting on or after 1st April 2023, Ind AS 1 has been amended to replace the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information'. The explicit requirement to disclose measurement bases has also been removed.

**ii. Ind AS 12, Income Taxes:**

The amendment has narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The amendments listed above did not have any impact on the amounts recognized in current period.

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2024. Significant subsidiary of the Group are:

Name	Country of incorporation	% ultimate equity interest	
		31 March 2024	31 March 2023
Morton Foods Limited	India	69.34	69.34
Champaran Marketing Company Limited	India	100.00	100.00
Hargaon Investment & Trading Company Limited	India	100.00	100.00
OSM Investment & Trading Company Limited	India	100.00	100.00
Hargaon Properties Limited	India	100.00	100.00

**Consolidation procedure:**

- i) Combine on line-by-line basis like items of assets, liabilities, income, expenses and cash flows of the Company with those of its subsidiaries.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

- ii) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and equity of each subsidiary and any difference between them is treated as Goodwill / Capital Reserve as the case may be.
- iii) Eliminate in full intra-group assets and liabilities, income and expenses and cash flows relating to transactions between entities of the Group. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.
- iv) Non-controlling interests in the net assets of subsidiary are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

Profit or loss and each component of OCI, reflected in these consolidated financial statements are attributed to the equity holders of the Company.

The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are prepared, to the extent possible, in the same manner as the Company's standalone financial statements. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

### 2.4 Basis of Preparation

These financial statements are prepared in accordance with the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policies set out below. The financial statements are prepared on a going concern basis using accrual concept except for the statement of cash flows.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	Measurement basis
i) Certain financial assets and financial liabilities	Fair value
ii) Employee's defined benefit plan	As per actuarial valuation (present value of defined benefit obligation less fair value of plan assets)

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### 2.5 Key accounting estimates and judgements

#### A. Use of judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount of assets, liabilities, income and expenses. The



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

The Group has assessed the materiality of the accounting policy information, which involves exercising judgement and considering both quantitative and qualitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis, revision to accounting estimates are recognised prospectively.

The management makes various judgements, apart from those involving estimations, that can significantly affect the amounts it recognises in the financial statements. Judgements are applied in determining the followings:

**Note 3.17** – Determining the fair values of investments.

Information about estimation and assumption uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included in the following notes:

**Note 3.1** – Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

**Note 3.4** – Useful life and residual value of investment property;

**Note 3.5** – Useful life and residual value of property, plant and equipment;

**Note 3.6 & 3.9** – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

**Note 3.8** – Measurement of defined benefit obligations: key actuarial assumptions;

**Note 3.12** – Recognition of deferred tax assets: availability of future taxable profit against which deductions allowed on payment / other basis can be used;

### B. Change in Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognized prospectively by including it in profit or loss (a) In the period of the change if the change affects only that period; or (b) the period of the change and future periods, if the change affects both.

However, the change in an accounting estimate that gives rise to changes in assets and liabilities, or relates to an item of equity, is recognized by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

### C. Key Sources of Estimation Uncertainty

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

#### C.1 Provisions for Income Tax and Deferred Tax

The income tax expense or benefit for the period includes the tax due on the current period's taxable income at the rates prescribed by the Income Tax Act, 1961, adjusted for any changes in deferred tax assets and liabilities arising from temporary differences and unutilized tax losses. Revenue, costs, allowances, and disallowances are allocated based on judgements informed by relevant rulings to determine the income tax provision.

##### C.1.1 Current Tax

Current tax assets and liabilities are measured at the amounts expected to be recovered or paid, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### C.1.2 Deferred Tax

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the rates and laws that have been enacted or substantively enacted by the balance sheet date.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

Deferred tax related to items recognized directly in equity or in other comprehensive income is recorded in the same area, matching the transaction that generated the deferred tax. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend to settle balances on a net basis. The recognition of deferred tax assets is contingent upon the likelihood of sufficient future taxable profits against which they can be utilized, necessitating significant judgement about possible legal or economic constraints.

### C.2 Impairment of Financial Assets

The Group evaluates the carrying value of its investments at amortized cost annually or more frequently if impairment indicators arise. Meanwhile, the Group acknowledges impairment losses for trade receivables that are not considered a financing transaction by employing the expected credit loss model. This model utilizes a provision matrix based on historical credit loss experience. If the recoverable amount is less than the carrying amount, an impairment loss is recorded.

### C.3 Impairment of Non-Financial Assets

The Group evaluates, on each reporting date, whether there is any indication that an asset might be impaired. An asset is considered impaired when its carrying amount surpasses its recoverable value, which is the higher of its value in use and its net selling price. The value in use is calculated as the net present value of the expected cash flows over the asset's remaining useful life. To assess impairment, assets are grouped at the lowest levels for which cash inflows are separately identifiable and largely independent of the cash inflows from other assets or groups of assets, known as Cash Generating Units (CGU).

### C.4 Claims, Provisions and Contingent Liabilities and Assets

Provisions for loss contingencies related to claims, litigations, assessments, fines, and penalties are recognized when a liability is likely incurred and the amount can be reliably estimated.

A contingent liability is considered when there is a possible but not probable obligation, or a present obligation that may not likely result in an outflow of resources, or a present obligation that cannot be reliably quantified. Contingent liabilities are not provided for but are disclosed in the notes to the financial statements unless the outflow of resources is considered remote.

Contingent assets are not recorded in the financial statements but are disclosed when an inflow of economic benefits is likely.

### C.5 Measurement of Fair value

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 – Impairment of Assets. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1** – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2** – inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3** – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Group considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### C.6 Useful lives of property, plant and equipment and investment property

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of IT equipment, software and other plant and equipment. This reassessment may result in change in depreciation expense in future periods.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### C.7 Employee's defined benefit plan

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the Notes to the consolidated financial statements.

## 3. Material accounting policies

### 3.1 Financial instruments

#### **Recognition and initial measurement**

Receivables issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

#### **Classification and subsequent measurement**

##### **i) Financial assets**

On initial recognition, a financial asset is classified and measured at:

- Amortised cost; or
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

##### **ii) Financial assets at amortised cost**

A financial assets is measured at amortised cost if it meet both of the following conditions and is not designated as at FVTPL:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

#### **Business model assessment**

The Group determines its business model at the level that best reflects how it manages the Group's of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### **The SPPI test**

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

### **iii) Financial assets at FVOCI**

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

### **iv) Financial assets at FVTPL**

All financial assets which do not meet the criteria for categorisation as at amortised cost or FVOCI as described above are classified as at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are SPPI.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**v) Financial assets: Subsequent measurement and gains and losses**

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

**vi) Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL.

**vii) Financial liabilities at FVTPL**

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

**viii) Financial liabilities at amortised cost**

Deposits, subordinated liabilities and other financial liabilities are subsequently measured at amortised cost using the effective interest (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

### Derecognition

**i) Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### ii) **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group 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 the new financial liability with modified terms is recognised in Statement of Profit and Loss.

### **Offsetting**

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

### **Impairment**

#### i) **Impairment of financial assets**

At each reporting date, the Group assess whether financial assets, than those at FVTPL are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group recognises loss allowances using the expected credit losses (ECL) model for the financial assets which are fair valued through profit or loss.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

In case of receivables, the Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on receivables using a provision matrix on the basis of its historical credit loss experience.

For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

#### **(a) Measurement of expected credit losses**

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

#### **(b) Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### (c) **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### (ii) **Impairment of non-financial assets**

The Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are combined together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or Group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.2 **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Bank deposits maturing after 3 months but within 12 months of the reporting date are classified as Bank Balances other than cash and cash equivalents (see Note 5).

### 3.3 **Inventories**

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on annual weighted average method / moving average method.

Work-in-progress, finished goods and Traded goods are valued at lower of cost and net realizable value. Work-in-progress and Finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

### 3.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated using the straight-line method to write down the cost of investment properties to their residual values over their estimated useful lives. Land recognised as investment properties is not depreciated.

The Group depreciates building components of investment property over 5 to 60 years from the date of original purchase.

The Group, based on technical assessment made by management's expert and management estimate, depreciates the building components of investment property over their estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost model, the fair value of investment property is disclosed in the notes. Fair values are determined based on technical assessment made by management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount (net) of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

### 3.5 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes (after deducting discounts and rebates), any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

If Significant part of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. Land recognised as properties, plant and equipment is not depreciated.

The Group depreciates property, plant and equipment over the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful lives are, as follows:

– Buildings	30 years
– Furniture and Fixtures	10 years
– Computer and Data Processing Equipment	3 years
– Plant and Equipment	15 years
– Vehicles	8 years



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### 3.6 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Expected future operating losses are not provided for.

### 3.7 Lease

#### *As a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

The right-of-use assets are disclosed in Property, plant and equipment (see Note 12).

#### (b) *Lease Liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are included in other financial liabilities (see Note 18).

#### **Short-term lease and lease of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option).



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

It also applies the lease of low-value assets recognition exemption to leases of offices, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### ***As a lessor***

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **3.8 Employee benefits**

#### ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees. The Group makes specified periodically contribution to Provident / Pension funds as the defined contribution plans.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### ***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Group. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

### **Compensated absences**

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature.

The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurement gains or losses are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-accumulating compensated absences are recognised in the period in which the absences occur.

### **3.9 Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

### **3.10 Revenue Recognition**

#### **Interest income**

Interest income is recognised in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVTOCI) except for those classified as held for trading.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

#### **Dividend income**

Dividend income (including from investment at FVOCI) is recognised when the Group receives it. It is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

#### **Trading income**

Trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

#### **Sale of Goods**

Revenue from the sale of goods is recognized when the Group transfers control along with risk, and rewards of the goods to the customer according to the contract terms, without retaining effective ownership, usually coinciding with delivery. Revenue is measured at the fair value of the consideration received or receivable, determined by the contractual transaction price adjusted



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

for discounts, commissions, rebates, and imputed interest at the time of sale. The Group assesses if the contract contains other promises that are separate performance obligations requiring allocation of a portion of the transaction price. In calculating the transaction price, the Group considers variable consideration, significant financing components, non-cash considerations, and customer payments, if any.

Revenue is measured at the transaction price net of returns, discounts, volume rebates, and outgoing sales taxes, including goods and service tax. The Group recognizes revenue when it can reliably measure the revenue amount and it is probable that future economic benefits will flow to the Group, irrespective of the payment timing. Since the period between transferring the promised goods to the customer and the customer's payment is typically one year or less, financing components are not considered.

Taxes collected by the Group on the government's behalf, clearly identified on sales documents, are excluded from revenue.

Some contracts grant customers the right to return goods. The Group employs the expected value method to estimate returns, as it most accurately forecasts the variable consideration it will not receive. In line with Ind AS 115 "Revenue from Contracts with Customers," estimates of variable consideration are constrained to ascertain the amount to be deducted from the transaction value for goods anticipated to be returned, leading to the derecognition of associated receivables. Additionally, an asset for the right of return is recognized, along with a corresponding inventory adjustment, for the right to reclaim products from a customer.

### **Contract with customer**

"Revenue from sale of products is recognized when property in the goods and significant risk and rewards are transferred and no effective ownership control is retained, which generally co-insides with delivery. Revenue is measured at fair value of consideration received or to be received. Fair value is determined based on contractual transaction price adjusted with discount/ commission/ rebates/ imputed interest etc at the time of sale.

As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

The taxes collected by the Company on behalf of the Government and specifically identified as such on the sales documents is excluded from the revenue.

Certain contracts provide a customer with a right to return the goods. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will not be entitled. The requirements of Ind AS 115 "Revenue from Contracts with Customers" on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that are to be excluded from the value of goods delivered but are expected to be returned by de-recognizing the related receivables. A right of return asset (and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer).

### **3.11 Expenses**

All expenses are accounted for on accrual basis.

### **3.12 Income tax**

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Statement of profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the end of the reporting period.

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

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

*Deferred tax assets* – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to off set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax liabilities / assets on change in fair value of investments not part of the profit or loss are recognised through OCI.

### **3.13 Trade Payables**

Trade payables represent liabilities for goods and services provided to the Group and are unpaid at the reporting period. The amounts are unsecured and usually paid within time limits as contracted. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period. They are recognised initially at their transactional value which represents the fair value and subsequently measured at amortised cost using the effective interest method wherever applicable.

### **3.14 Goods and services tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **3.15 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

### **3.16 Dividend on ordinary shares**

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

### 3.17 Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **i) Financial assets**

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL or at FVOCI.

Investments in equity instruments are measured at FVOCI and combination of different methodologies i.e. discounted cash flow method, comparable companies method and net assets method with different weightage has been used for fair valuations of investment in unquoted securities.

#### **ii) Trade and other receivables**

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

#### **iii) Financial liabilities**

Financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

### 3.18 Intangible assets

Intangible assets including Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the computer software is considered as 5 years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 3.19 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 3.20 Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments and its operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments as described in Note 42.

### 3.21 Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) regularly notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules. For the fiscal year ending March 31, 2024, the MCA has not notified any new standards or amendments to the standards that are applicable to the Group.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 4. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- Current accounts	35.28	96.78
- Bank deposits having original maturity three months or less	-	898.00
Cash on hand	0.65	0.54
	<b>35.93</b>	<b>995.32</b>

### 5. Other bank balances

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits due to mature after three months of original maturities but not more than twelve months of the reporting date	998.42	210.00
	<b>998.42</b>	<b>210.00</b>

### 6. Receivables

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Receivables		
- considered good and secured	0.06	0.06
- considered good and unsecured	435.40	248.59
- having significant increase in credit risk	29.94	6.98
	<b>465.40</b>	<b>255.63</b>
Less: Loss allowance		
Trade Receivables - having significant increase in credit risk	29.94	6.98
	<b>435.46</b>	<b>248.65</b>

- No debt is due by directors or other officers of the Group or any of them either severally or jointly with any other person or firms including limited liability partnership (LLPs) or private companies respectively in which any director is a partner or a director or a member.
- The Group's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 45(C).
- Trade receivables are hypothecated against borrowings [Note 16].
- Receivables aging schedule:



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 6. Receivables (Contd.)

(d) Receivables aging schedule:

(₹ in lakhs)

Particulars	Outstanding for following years from due dates of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>As on 31 March 2024</b>						
Receivables considered good and secured						
- Undisputed	-	-	-	0.06	-	0.06
- Disputed	-	-	-	-	-	-
	-	-	-	<b>0.06</b>	-	<b>0.06</b>
Receivables considered good and unsecured						
- Undisputed	288.08	33.46	67.57	30.62	15.67	435.40
- Disputed	-	-	-	-	-	-
	<b>288.08</b>	<b>33.46</b>	<b>67.57</b>	<b>30.62</b>	<b>15.67</b>	<b>435.40</b>
Receivables - Having significant increase in credit risk						
- Undisputed	-	-	-	14.27	15.67	29.94
- Disputed	-	-	-	-	-	-
	-	-	-	<b>14.27</b>	<b>15.67</b>	<b>29.94</b>
Less: Trade Receivables which have significant increase in credit risk	-	-	-	(14.27)	(15.67)	(29.94)
	<b>288.08</b>	<b>33.46</b>	<b>67.57</b>	<b>30.68</b>	<b>15.67</b>	<b>435.46</b>
<b>As on 31 March 2023</b>						
Receivables considered good and secured						
- Undisputed	-	-	0.06	-	-	0.06
- Disputed	-	-	-	-	-	-
	-	-	<b>0.06</b>	-	-	<b>0.06</b>
Receivables - Having significant increase in credit risk						
- Undisputed	94.34	60.60	79.81	3.55	10.29	248.59
- Disputed	-	-	-	-	-	-
	<b>94.34</b>	<b>60.60</b>	<b>79.81</b>	<b>3.55</b>	<b>10.29</b>	<b>248.59</b>
Receivables - Credit impaired						
- Undisputed	-	-	-	3.96	3.02	6.98
- Disputed	-	-	-	-	-	-
	-	-	-	<b>3.96</b>	<b>3.02</b>	<b>6.98</b>
Less: Trade Receivables which have significant increase in credit risk	-	-	-	(3.96)	(3.02)	(6.98)
	<b>94.34</b>	<b>60.60</b>	<b>79.87</b>	<b>3.55</b>	<b>10.29</b>	<b>248.65</b>

(e) Movement of Loss Allowance:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	6.98	3.02
Change in loss allowance during the year	22.96	3.96
<b>Balance at the end of the year</b>	<b>29.94</b>	<b>6.98</b>

**Notes to Consolidated Financial Statements** for the year ended 31 March 2024 (Contd.)**7. Investments**

(₹ in lakhs)

Particulars	No. of Shares		Face Value of Share (₹)	As at 31 March 2024	As at 31 March 2023
	31 March 2024	31 March 2023			
<b>Equity shares (fully paid) carried at FVOCI - Quoted</b>					
Sutlej Textiles & Industries Ltd.	2,66,00,260	2,66,00,260	1.00	13,406.52	10,786.41
Avadh Sugar & Energy Ltd.	8,59,662	8,59,662	10.00	4,565.23	3,749.42
SIL Investments Ltd.	17,58,125	17,58,125	10.00	8,227.14	4,770.67
Magadh Sugar & Energy Ltd.	12,78,075	12,78,075	10.00	6,861.35	4,079.61
Chambal Fertilisers & Chemicals Ltd.	4,39,134	4,39,134	10.00	1,501.84	1,159.75
Ganges Securities Ltd.	10,14,205	10,14,205	10.00	1,164.31	957.92
New India Retailing & Investment Ltd.	21,34,992	21,34,992	10.00	640.50	640.50
Pavapuri Trading & Investment Co. Ltd.	3,800	3,800	10.00	0.09	0.22
				<b>36,366.98</b>	<b>26,144.50</b>
<b>Equity shares (fully paid) carried at FVOCI - Unquoted</b>					
SCM Investment & Trading Company Ltd.	37,50,000	37,50,000	10.00	7,044.75	4,868.25
Manbhawani Investment Ltd.	67,500	67,500	10.00	2,471.23	1,928.59
Manavta Holdings Ltd.	72,000	72,000	10.00	1,312.85	981.46
Shree Vihar Properties Ltd.	7,47,692	7,47,692	10.00	871.21	807.88
Birla Building Ltd.	1,920	1,920	100.00	99.34	77.63
Moon Corporation Ltd. - 'A' Class	745	745	100.00	36.23	37.27
Moon Corporation Ltd. - 'B' Class	2,502	2,502	5.00	6.08	6.26
The Oudh Trading Company Pvt. Ltd.	25	25	100.00	8.69	8.44
Modern Diagen Services Ltd.	23,752	23,752	10.00	2.81	2.79
India Educational & Research Institution Pvt. Ltd.	24,500	24,500	10.00	2.89	2.38
				<b>11,856.08</b>	<b>8,720.95</b>
<b>Equity shares (partly paid) carried at FVOCI - Unquoted</b>					
Modern Diagen Services Ltd. (partly paid by ₹ 2 each)	15,45,044	15,45,044	10.00	58.87	57.78
				<b>58.87</b>	<b>57.78</b>
<b>Mutual Funds carried at FVTPL</b>					
HDFC Income Fund	1,14,247.358			60.28	-
ICICI Prudential All Seasons Bond Fund	1,80,756.867			60.22	-
Kotak Dynamic Bond Fund	1,76,998.487			60.15	-
Kotak Medium Term Fund	2,93,671.072			60.11	-
SBI Dynamic Bond Fund	1,85,699.208			60.30	-
				<b>301.06</b>	-
<b>Government securities (fully paid) carried at amortised cost - Unquoted</b>					
6 Years National Savings Certificates				0.01	0.01
				<b>0.01</b>	<b>0.01</b>
				<b>48,583.00</b>	<b>34,923.24</b>
<b>Investments outside India</b>				-	-
<b>Investments in India</b>				48,583.00	34,923.24
				<b>48,583.00</b>	<b>34,923.24</b>

- (a) The Group received dividends of ₹ **523.52 lakhs** (31 March 2023: ₹ 743.28 lakhs) from its investments in equity shares, carried at FVOCI, recorded in the Statement of profit and loss as dividend income.
- (b) The Group has designated its equity investments at FVOCI on the basis that these are not held for trading and held for strategic purposes.
- (c) No strategic investment was disposed off during 2023-24 other than disclosed in Note 24 and there were no transfer of any cumulative gain or loss within equity relating to these investments.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 8. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Security and Other Deposits	31.08	19.32
Interest accrued on bank deposits	33.26	5.55
	<b>64.34</b>	<b>24.87</b>

### 9. Inventories

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<i>(Value at lower of cost and net realisable value)</i>		
Raw materials	49.42	60.01
Work-in-progress	79.59	129.04
Finished goods	528.31	730.20
Stock-in-trade	191.26	444.23
Stores, chemicals and spare parts	185.58	434.22
	<b>1,034.16</b>	<b>1,797.70</b>

- a) ₹ 1.01 lakhs (31 March 2023: ₹ 146.34 lakhs) are recognised as expenses, being write-down of inventories to net realisable value, included in Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress [Note 33].
- b) Inventories are hypothecated against borrowings [Note 16].

### 10. Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax and tax deducted / collected at sources	151.32	53.11
Less: Provision for taxation	142.27	41.37
	<b>9.05</b>	<b>11.74</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 11. Investment Property

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Total
<b>Reconciliation of carrying amount</b>			
<b>Cost or deemed cost (gross carrying amount)</b>			
Balance at 1 April 2023	9.89	36.25	46.14
Additions during the year	-	-	-
<b>Balance at 31 March 2024</b>	<b>9.89</b>	<b>36.25</b>	<b>46.14</b>
Balance at 1 April 2022	9.89	36.25	46.14
Additions during the year	-	-	-
Balance at 31 March 2023	<b>9.89</b>	<b>36.25</b>	<b>46.14</b>
<b>Accumulated depreciation</b>			
Balance at 1 April 2023	-	10.92	10.92
Depreciation for the year	-	1.72	1.72
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>12.64</b>	<b>12.64</b>
Balance at 1 April 2022	-	8.88	8.88
Depreciation for the year	-	2.04	2.04
Balance at 31 March 2023	-	<b>10.92</b>	<b>10.92</b>
<b>Carrying amount (net)</b>			
<b>At 31 March 2024</b>	<b>9.89</b>	<b>23.61</b>	<b>33.50</b>
At 31 March 2023	9.89	25.33	35.22

Fair value of the above-mentioned investment property is as under:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Freehold Land along with Building	1,355.83	1,274.00

**Note:** For the purpose of valuation of the aforesaid investment property, the Company has referred the circle rate decided by the appropriate authority and no independent report of valuation has been obtained from registered valuer.

The amounts recognised in profit or loss for:

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(i) Rental income from investment property	35.02	35.02
(ii) Expenses (including tax, insurance, repairs and maintenance etc.) other than depreciation in relation to investment property that generated rental income during the year; and	1.48	8.23
(iii) Expenses (including tax, insurance, repairs and maintenance etc.) other than depreciation in relation to investment property that did not generate rental income during the year	5.50	5.15

**Notes to Consolidated Financial Statements** for the year ended 31 March 2024 (Contd.)

**12. Property, Plant and Equipment**

Particulars	(₹ in Lakhs)									
	Freehold Land	Buildings	Plant and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Right-of-use assets [Note 41]	Total	
<b>Reconciliation of carrying amount</b>										
<b>Cost or deemed cost (gross carrying amount)</b>										
Balance at 1 April 2023	4,138.70	204.32	348.45	32.85	4.21	5.54	3.47	64.90	4,802.44	
Additions during the year	-	-	0.70	0.50	-	-	-	-	1.20	
Disposals / discard during the year	-	-	-	-	-	-	-	-	-	
<b>Balance at 31 March 2024</b>	<b>4,138.70</b>	<b>204.32</b>	<b>349.15</b>	<b>33.35</b>	<b>4.21</b>	<b>5.54</b>	<b>3.47</b>	<b>64.90</b>	<b>4,803.64</b>	
Balance at 1 April 2022	4,138.70	204.32	337.47	32.36	3.77	5.54	3.47	64.90	4,790.53	
Additions during the year	-	-	10.98	0.49	0.44	-	-	-	11.91	
Disposals / discard during the year	-	-	-	-	-	-	-	-	-	
Balance at 31 March 2023	<b>4,138.70</b>	<b>204.32</b>	<b>348.45</b>	<b>32.85</b>	<b>4.21</b>	<b>5.54</b>	<b>3.47</b>	<b>64.90</b>	<b>4,802.44</b>	
<b>Accumulated depreciation</b>										
Balance at 1 April 2023	-	17.77	80.63	26.78	1.88	3.75	1.92	34.25	166.98	
Depreciation for the year	-	6.25	22.56	3.73	0.42	0.81	0.52	21.63	55.92	
Disposals / discard during the year	-	-	-	-	-	-	-	-	-	
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>24.02</b>	<b>103.19</b>	<b>30.51</b>	<b>2.30</b>	<b>4.56</b>	<b>2.44</b>	<b>55.88</b>	<b>222.90</b>	
Balance at 1 April 2022	-	11.52	55.28	20.23	1.49	2.94	1.22	12.62	105.30	
Depreciation for the year	-	6.25	25.35	6.55	0.39	0.81	0.70	21.63	61.68	
Disposals / discard during the year	-	-	-	-	-	-	-	-	-	
Balance at 31 March 2023	-	17.77	80.63	26.78	1.88	3.75	1.92	34.25	166.98	
Carrying amount (net)										
<b>At 31 March 2024</b>	<b>4,138.70</b>	<b>180.30</b>	<b>245.96</b>	<b>2.84</b>	<b>1.91</b>	<b>0.98</b>	<b>1.03</b>	<b>9.02</b>	<b>4,580.74</b>	
At 31 March 2023	4,138.70	186.55	267.82	6.07	2.33	1.79	1.55	30.65	4,635.46	

(a) Revaluation model has been adopted by a subsidiary for valuing its land and ₹ 4,030.40 lakhs represents net change in carrying amount due to revaluation based on valuation by a registered valuer as prescribed.

(b) Movable Property, Plant and Equipment of a subsidiary given as security for borrowings [Note 16].

**Notes to Consolidated Financial Statements** for the year ended 31 March 2024 (Contd.)**13. Intangible Assets**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Computer Software:</b>		
<b>Reconciliation of carrying amount</b>		
Balance at the beginning of the year	76.03	76.03
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>76.03</b>	<b>76.03</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	29.62	14.13
Amortisation for the year	14.30	15.49
<b>Balance at the end of the year</b>	<b>43.92</b>	<b>29.62</b>
<b>Carrying amount (net)</b>	<b>32.11</b>	<b>46.41</b>

**14. Other Non-financial Assets**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Capital Advances</b>	-	-
<b>Advances to suppliers and others</b>		
Advances to suppliers - Good	123.93	313.25
Advances to suppliers - Doubtful	84.17	43.61
	<b>208.10</b>	<b>356.86</b>
Less: Loss Allowance for doubtful advances	84.17	43.61
	<b>123.93</b>	<b>313.25</b>
<b>Other advances</b>		
- Balance with Government Authorities	47.29	155.60
- Prepaid Expenses	8.99	5.87
- Deposits against demand under appeal and / or under dispute	-	15.30
	<b>180.21</b>	<b>490.02</b>
<b>Movement of Loss Allowance:</b>		
Balance at the beginning of the year	43.61	-
Change in loss allowance during the year	40.56	43.61
<b>Balance at the end of the year</b>	<b>84.17</b>	<b>43.61</b>

**15. Payables**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	130.69	28.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	860.06	925.66
	<b>990.75</b>	<b>954.32</b>
	<b>990.75</b>	<b>954.32</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 15. Payables (Contd.)

(a) The following details relating to Micro enterprises and small enterprises are as under:

(₹ in lakhs)

Particulars		As at 31 March 2024	As at 31 March 2023
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
	Principal amount due to micro and small enterprises	130.69	28.66
	Interest due on above	3.04	-
	<b>Total</b>	<b>133.73</b>	<b>28.66</b>
(ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

(b) Payables aging schedule:

(₹ in lakhs)

Particulars	Unbilled	Outstanding for following period from due dates of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>As on 31 March 2024</b>						
- MSME	-	74.57	56.12	-	-	130.69
- Others	4.47	675.21	179.13	1.25	-	860.06
- Disputed dues - MSME	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-
	<b>4.47</b>	<b>749.78</b>	<b>235.25</b>	<b>1.25</b>	-	<b>990.75</b>
<b>As on 31 March 2023</b>						
- MSME	-	28.66	-	-	-	28.66
- Others	4.47	921.19	-	-	-	925.66
- Disputed dues - MSME	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-
	<b>4.47</b>	<b>949.85</b>	-	-	-	<b>954.32</b>

(c) The Group's exposure to currency and liquidity risk related to trade payable are disclosed in Note 45 (C).

**Notes to Consolidated Financial Statements** for the year ended 31 March 2024 (Contd.)**16. Borrowings (Other than Debts Securities)**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Cash credit from a bank (repayable on demand)	1,471.00	1,969.60
<b>Unsecured</b>		
Inter-corporate deposit from a body corporate	1,550.00	-
	<b>3,021.00</b>	<b>1,969.60</b>
The Group's exposure to interest and liquidity risk is included in Note 45(C).		

**Nature of Securities and Terms of repayment****(i) Cash credit from a bank**

- (a) Cash credit from a bank, carry interest rate of I-MCLR-6M + Spread of 2.10% p.a., is secured by hypothecation of entire current assets of a subsidiary, ranking pari passu and also by way of first charge created on the movable property, plant and equipment thereof, both present and future.
- (b) Inter-corporate deposit carry interest range of 9% to 10% p.a. and repayable on demand.

**(ii) The summary of reconciliation of quarterly statement filed to the bank (ICICI Bank Ltd.) and books of accounts, if any, is given below:**

Quarter ended on	Particulars of security provided	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return / statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Reason
31 March 2024	Inventories	1,034.16	1,034.16		
	Trade Receivables	435.46	435.46		
	<b>Total</b>	<b>1,469.62</b>	<b>1,469.62</b>	-	
31 December 2023	Inventories	1,400.64	1,642.76		Stock in transit was omitted to shown in books of accounts
	Trade Receivables	290.93	290.93		
	<b>Total</b>	<b>1,691.57</b>	<b>1,933.69</b>	<b>242.12</b>	
30 September 2023	Inventories	1,321.11	1,570.17		Stock in transit was omitted to shown in books of accounts
	Trade Receivables	228.65	228.64		
	<b>Total</b>	<b>1,549.76</b>	<b>1,798.81</b>	<b>249.05</b>	
30 June 2023	Inventories	1,645.86	1,645.86		
	Trade Receivables	217.10	217.10		
	<b>Total</b>	<b>1,862.96</b>	<b>1,862.96</b>	-	
31 March 2023	Inventories	1,797.70	1,797.70		
	Trade Receivables	248.64	248.64		
	<b>Total</b>	<b>2,046.34</b>	<b>2,046.34</b>	-	
31 December 2022	Inventories	1,809.27	1,809.27		
	Trade Receivables	568.73	568.73		
	<b>Total</b>	<b>2,378.00</b>	<b>2,378.00</b>	-	
30 September 2022	Inventories	1,676.69	1,676.69		
	Trade Receivables	518.67	518.67		
	<b>Total</b>	<b>2,195.36</b>	<b>2,195.36</b>	-	
30 June 2022	Inventories	1,808.36	1,808.36		
	Trade Receivables	436.00	436.00		
	<b>Total</b>	<b>2,244.36</b>	<b>2,244.36</b>	-	



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 17. Subordinated Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Preference Shares other than those that qualify as equity</b>		
13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares	-	259.16
	-	<b>259.16</b>
<b>Subordinated Liabilities outside India</b>	-	-
<b>Subordinated Liabilities in India</b>	-	259.16
	-	<b>259.16</b>

#### Rights, preferences and restrictions attached to 8.5% NCCRPS of ₹ 10 each:

NCCRPS were redeemed at par on 2 August 2023 being twelve years and one day from the date of the original allotment i.e. 1 August 2011. The dividend @ 8.5% per annum was paid at the time of redemption of the NCCRPS.

### 18. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade and other deposits	18.17	26.22
Lease liabilities [Note 42]	11.26	35.33
Interest accrued but not due	63.92	17.65
Payable to employees	78.97	84.39
	<b>172.32</b>	<b>163.59</b>

### 19. Current Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for taxation	-	130.62
Less: Advance tax and tax deducted / collected at sources	-	130.04
	-	<b>0.58</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 20. Provisions

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
Net defined benefit liability - Gratuity	-	12.42
Liability for compensated absences	33.11	34.65
	<b>33.11</b>	<b>47.07</b>
<b>Other Provisions</b>		
For standard assets	15.12	15.12
For warranties and claims	17.69	36.52
	<b>32.81</b>	<b>51.64</b>
	<b>65.92</b>	<b>98.71</b>

#### Defined benefits - Gratuity Plan

A subsidiary has a defined benefit gratuity plan. Every employee who has completed continuously at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972.

#### Net defined benefit liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligations	102.23	107.91
Fair value of plan assets	103.63	95.49
Net defined benefit liabilities	<b>(1.40)</b>	<b>12.42</b>

These defined benefit plans expose the subsidiary to actuarial risks, such as currency risk, interest risk and market (investment) risk.

₹ Nil is expected to contribute to gratuity fund in the next year.

#### Inherent risk

The plan is defined benefit in nature which is sponsored by the subsidiary and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the subsidiary, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

#### Risk to the beneficiary

The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities Or a combination of these events

#### Parameter risk

Actuarial valuation is done on the basis of some assumptions like salary inflation, discount rate and withdrawal.

Assumptions - in case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities.

For example: the plan's liability is calculated with salary inflation assumption of 5% per annum. However, Company's actual practice is to provide increment of 10% per annum. This will result into underfunding.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability.

Further, actual withdrawals may be lower or higher than what was assumed in the valuation, may also impact the plan's liability.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 20. Provisions (Contd.)

#### Risk of illiquid Assets

Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer year or in illiquid assets.

#### Risk of Benefit Change

There may be a risk that the benefit promised is changed or is changeable within the terms of the contract. For example regulator may increase the benefits payable under defined benefit plans.

#### Asset liability mismatching risk (ALM)

ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration. For example: The liability duration is 10 years. While assets are locked in 5-year g-sec securities. After 5 years, there is huge reinvestment risk to invest maturity proceeds of assets due to uncertainty about the market prevailing yields at that time.

The following tables analyse present value of defined benefit obligations, fair value of defined plan assets, actuarial gain / (loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information:

#### Reconciliation of the net defined benefit liabilities / (assets):

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year	107.91	110.38
(b) Service cost	9.95	10.48
(c) Interest cost	8.00	7.70
(d) Benefits paid	(15.39)	-
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	1.85	(3.03)
- due to experience changes	(10.09)	(17.62)
<b>Balance at the end of the year</b>	<b>102.23</b>	<b>107.91</b>
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	95.49	69.72
(b) Actual return on plan assets	6.61	4.99
(c) Contributions by the employer	16.92	20.78
(d) Benefits paid	(15.39)	-
<b>Balance at the end of the year</b>	<b>103.63</b>	<b>95.49</b>
(iii) Actuarial gain / (loss) on plan assets		
(a) Expected Interest Income	7.09	4.86
(b) Actual return on plan assets	6.61	4.99
<b>Actuarial gain / (loss) on plan assets</b>	<b>(0.48)</b>	<b>0.13</b>
(iv) Expense recognised in Employee benefits expenses		
(a) Service cost	9.95	10.48
(b) Interest cost	8.00	7.70
(c) Interest income	(7.09)	(4.86)
<b>Amount charged to Employee benefits expenses</b>	<b>10.86</b>	<b>13.32</b>
(v) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial loss on defined benefit obligations	8.24	20.65
(b) Actuarial loss on plan assets	(0.48)	0.13
<b>Amount recognised in Other Comprehensive Income</b>	<b>7.76</b>	<b>20.78</b>
(vi) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(vii) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.13%	7.42%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates	Less than 40 Years - 4.2%	
	40 Years and above - 0%	

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 20. Provisions (Contd.)

#### (viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	3.14	(3.34)	3.25	(3.45)
(b) Future salary growth (1% movement)	(6.79)	6.12	(7.05)	6.34
(c) Withdrawal assumption (4% movement)	(1.95)	1.54	(2.58)	1.45

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

#### (ix) Maturity profile of defined benefit obligations (valued on undiscounted basis)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Within the next 12 months (next annual reporting year)	28.10	8.44
Between 1 and 2 years	1.01	26.98
Between 2 and 3 years	3.07	4.82
Between 3 and 4 years	3.45	2.98
Between 4 and 5 years	3.91	3.44
Beyond 5 years	137.78	144.06
	<b>177.32</b>	<b>190.72</b>

#### Reconciliation of Other Provisions:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Other Provisions for		Other Provisions for	
	Standard assets	Warranties and claims	Standard assets	Warranties and claims
Balance at the beginning of the year	15.12	36.53	15.12	33.25
Provided during the year	-	17.69	-	36.53
Utilised / Written back during the year	-	36.53	-	33.25
<b>Balance at the end of the year</b>	<b>15.12</b>	<b>17.69</b>	<b>15.12</b>	<b>36.53</b>

- (a) Every NBFC is required to make provision towards its standard assets at the rate notified by Reserve Bank of India and disclosed separately as "Contingent Provision against Standard Assets".
- (b) A provision is recognised for expected warranty claims on products based on the management's estimate computed on the basis of past experience. It is expected that the entire provision will be utilised within one year of the reporting date, since the warranty is generally for one year. The table above gives information about movement in warranties provisions.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 21. Deferred Tax Liabilities / (Assets) (net)

The Company along with its subsidiaries other than MFL has recognised deferred tax liabilities / assets as per the Accounting Policies (refer Note 3.12).

MFL has recognised deferred tax liabilities / assets on carried forward business losses, unabsorbed depreciation and other timing differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax assets of ₹ 450.53 lakhs had been recognised during the year ended 31 March 2022 in view of a reasonable certainty. However, the subsidiary MFL has not recognized any further DTA during the current year the year ended March 31, 2024 and in the previous year ending March 31, 2023 as a matter of prudence.

The breakup of Deferred tax liabilities and assets are as under:

(₹ in lakhs)

Particulars	As at 1 April 2023	Recognised in profit or loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax liabilities</b>				
Investments - Unquoted	1,358.64	-	684.18	2,042.82
Investments - Quoted	-	-	1,056.30	1,056.31
Investments - Mutual funds	-	0.27	-	0.27
Property, plant and equipment / Intangible assets	36.21	9.95	-	46.16
Provision for employee's benefits	1.09	(1.09)	-	-
	<b>1,395.94</b>	<b>9.13</b>	<b>1,740.48</b>	<b>3,145.56</b>
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	1,577.04	461.00	-	2,038.04
Investments - Quoted	1,844.38	-	(1,844.38)	-
Other provisions	26.45	50.27	(1.69)	75.03
Provision for employee's benefits	-	0.93	-	0.93
Deduction of disallowances allowed on payment basis	21.30	6.51	-	27.81
	<b>3,469.17</b>	<b>518.71</b>	<b>(1,846.07)</b>	<b>2,141.81</b>
Less : Deferred tax assets not recognised	2,115.08	509.85	(979.81)	1,645.12
	<b>1,354.09</b>	<b>8.86</b>	<b>(866.26)</b>	<b>496.69</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>41.85</b>	<b>0.27</b>	<b>2,606.74</b>	<b>2,648.86</b>

(₹ in lakhs)

Particulars	As at 1 April 2022	Recognised in profit or loss	Recognised in OCI	As at 31 March 2023
<b>Deferred tax liabilities</b>				
Investments - Unquoted	2,501.76	-	(1,143.12)	1,358.64
Property, plant and equipment / Intangible assets	22.54	13.67	-	36.21
Provision for employee's benefits	-	1.09	-	1.09
	<b>2,524.30</b>	<b>14.76</b>	<b>(1,143.12)</b>	<b>1,395.94</b>
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	1,206.70	370.34	-	1,577.04
Investments - Quoted	437.97	-	1,406.41	1,844.38
Provision for employee's benefits	20.03	(20.03)	-	-
Other provisions	13.24	13.21	-	26.45
Deduction of disallowances allowed on payment basis	8.68	12.62	-	21.30
	<b>1,686.62</b>	<b>376.14</b>	<b>1,406.41</b>	<b>3,469.17</b>
Less : Deferred tax assets not recognised	744.06	361.38	1,009.64	2,115.08
	<b>942.56</b>	<b>14.76</b>	<b>396.77</b>	<b>1,354.09</b>
<b>Net deferred tax liabilities</b>	<b>1,581.74</b>	<b>-</b>	<b>(1,539.89)</b>	<b>41.85</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 22. Other Non-financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers	74.14	93.88
Statutory dues	22.18	28.89
	<b>96.32</b>	<b>122.77</b>

### 23. Share Capital

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised:</b>		
1,35,00,000 equity shares of ₹ 10 each	1,350.00	1,350.00
15,00,000 preference shares of ₹ 10 each	150.00	150.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
1,00,03,102 equity shares of ₹ 10 each	1,000.31	1,000.31
	<b>1,000.31</b>	<b>1,000.31</b>

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
<b>Equity shares</b>				
At the beginning and at the end of the year	1,00,03,102	1,000.31	1,00,03,102	1,000.31

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

The Company has only one class of equity shares with par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
<b>Equity shares of ₹10 each fully paid up held by</b>				
Ganges Securities Ltd.	12,83,234	12.8284	12,83,234	12.8284
SCM Investment & Trading Co. Ltd.	10,78,958	10.7862	10,78,958	10.7862
New India Retailing & Investment Ltd.	10,71,532	10.7120	10,71,532	10.7120
RTM Investment & Trading Co. Ltd.	9,04,951	9.0467	9,04,951	9.0467
Deepshikha Trading Co. Pvt. Ltd.	6,88,741	6.8853	6,88,741	6.8853
Sonali Commercial Ltd.	5,62,658	5.6248	5,62,658	5.6248
Ronson Traders Ltd.	5,38,463	5.3830	5,38,463	5.3830
<b>NCCRPS of ₹10 each fully paid up held by</b>				
Sutlej Textiles & Industries Limited	-	-	13,00,000	100.00

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 23. Share Capital (Contd.)

#### (d) Details of shares held by promoters:

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
<b>Equity shares of ₹ 10 each fully paid up held by</b>						
<b>As on 31 March 2024</b>						
1	Ganges Securities Ltd.	12,83,234	-	12,83,234	12.8284%	-
2	SCM Investment & Trading Co. Ltd.	10,78,958	-	10,78,958	10.7862%	-
3	New India Retailing & Investment Ltd.	10,71,532	-	10,71,532	10.7120%	-
4	RTM Investment & Trading Co. Ltd.	9,04,951	-	9,04,951	9.0467%	-
5	Deepshikha Trading Co. Pvt. Ltd.	6,88,741	-	6,88,741	6.8853%	-
6	Sonali Commercial Ltd.	5,62,658	-	5,62,658	5.6248%	-
7	Ronson Traders Ltd.	5,38,463	-	5,38,463	5.3830%	-
8	Sidh Enterprises Ltd.	3,06,658	-	3,06,658	3.0656%	-
9	Yashovardhan Investment & Trading Co. Ltd.	3,04,715	-	3,04,715	3.0462%	-
10	Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]"	2,21,039	25,816	2,46,855	2.4678%	0.2581%
11	Uttam Commercial Ltd.	1,67,643	-	1,67,643	1.6759%	-
12	Mr. Chandra Shekhar Nopany	28,468	-	28,468	0.2846%	-
13	Rajpur Farms Ltd.	15,315	-	15,315	0.1531%	-
14	Narkatiaganj Farms Ltd.	9,756	-	9,756	0.0975%	-
15	Mrs. Nandini Nopany	4,425	-	4,425	0.0442%	-
16	The Oudh Trading Co. Pvt. Ltd.	477	-	477	0.0048%	-
		<b>71,87,033</b>	<b>25,816</b>	<b>72,12,849</b>	<b>72.1061%</b>	<b>0.2581%</b>
<b>As on 31 March 2023</b>						
1	Ganges Securities Ltd.	12,83,234	-	12,83,234	12.8284%	-
2	SCM Investment & Trading Co. Ltd.	10,78,958	-	10,78,958	10.7862%	-
3	New India Retailing & Investment Ltd.	10,71,532	-	10,71,532	10.7120%	-
4	RTM Investment & Trading Co. Ltd.	9,04,951	-	9,04,951	9.0467%	-
5	Deepshikha Trading Co. Pvt. Ltd.	6,88,741	-	6,88,741	6.8853%	-
6	Sonali Commercial Ltd.	5,62,658	-	5,62,658	5.6248%	-
7	Ronson Traders Ltd.	5,38,463	-	5,38,463	5.3830%	-
8	Sidh Enterprises Ltd.	3,06,658	-	3,06,658	3.0656%	-
9	Yashovardhan Investment & Trading Co. Ltd.	3,04,715	-	3,04,715	3.0462%	-
10	Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]	2,04,934	16,105	2,21,039	2.2097%	0.1610%
11	Uttam Commercial Ltd.	1,67,643	-	1,67,643	1.6759%	-
12	Mr. Chandra Shekhar Nopany	28,468	-	28,468	0.2846%	-
13	Rajpur Farms Ltd.	15,315	-	15,315	0.1531%	-
14	Narkatiaganj Farms Ltd.	9,756	-	9,756	0.0975%	-
15	Mrs. Nandini Nopany	4,425	-	4,425	0.0442%	-
16	The Oudh Trading Co. Pvt. Ltd.	477	-	477	0.0048%	-
		<b>71,70,928</b>	<b>16,105</b>	<b>71,87,033</b>	<b>71.8480%</b>	<b>0.1610%</b>

**Notes to Consolidated Financial Statements** for the year ended 31 March 2024 (Contd.)**23. Share Capital (Contd.)****(d) Details of shares held by promoters: (Contd.)**

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
	<b>8.5% NCCRPS of ₹ 100 each fully paid up held by</b>					
	<b>As on 31 March 2023</b>					
1	Sutlej Textiles & Industries Ltd.	13,00,000	-	13,00,000	100.0000%	-
		<b>13,00,000</b>	<b>-</b>	<b>13,00,000</b>	<b>100.0000%</b>	<b>-</b>

**24. Other Equity**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Capital Reserve</b>		
Balance at the beginning of the year	1,643.35	1,645.66
Less: Amount attributable to Non-controlling Interest	-	2.31
Balance at the end of the year	<b>1,643.35</b>	<b>1,643.35</b>
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	175.00	45.00
Add: Transfer from Retained Earnings	-	130.00
Balance at the beginning and at the end of the year	<b>175.00</b>	<b>175.00</b>
<b>General Reserve</b>		
Balance at the beginning and at the end of the year	<b>324.50</b>	<b>324.50</b>
<b>Reserve Fund</b>		
Balance at the beginning of the year	1,165.39	1,041.75
Add: Transfer from Retained Earnings	82.75	123.64
Balance at the end of the year	<b>1,248.14</b>	<b>1,165.39</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	71.24	(190.44)
Add : Amount attributable to Non-controlling Interest	-	2,047.81
Add / (Less) : Profit / (Loss) for the year	(961.94)	(1,557.38)
Add / (Less) : Remeasurement of defined benefit liability / (asset)	5.38	20.13
Less: Transfer to Capital Redemption Reserve / Reserve Fund	(82.75)	(253.64)
Amount adjusted with Equity Instruments through OCI *	-	4.76
Balance at the end of the year	<b>(968.07)</b>	<b>71.24</b>
<b>Revaluation Surplus - Land through OCI</b>		
Balance at the beginning of the year	2,794.62	4,030.40
Less: Amount attributable to Non-controlling Interest	-	1,235.78
Balance at the end of the year	<b>2,794.62</b>	<b>2,794.62</b>
<b>Equity Instruments through OCI</b>		
Balance at the beginning of the year	31,311.26	46,946.82
Net change in fair value during the year	10,751.96	(15,630.80)
Amount adjusted with Retained Earnings *	-	(4.76)
Balance at the end of the year	<b>42,063.22</b>	<b>31,311.26</b>
	<b>47,280.76</b>	<b>37,485.36</b>



**Notes to Consolidated Financial Statements** for the year ended 31 March 2024 (Contd.)**24. Other Equity (Contd.)**

\* On written-off / redemption of the following shares, classified as Investment (unquoted) carried through FVOCI.

Name of the company	Type of Share	No. of shares	Face Value per share (in ₹)	Amount of Written-off (₹ in lakhs)
Bihar State Financial Corporation Ltd.	Equity Share	70	100.00	0.07
Taparia Ltd.	Equity Share	3,500	10.00	0.40
8.5% NCCRPS of Ganges Securities Ltd.	Preference Share	34,800	100.00	(5.23)
				<b>(4.76)</b>

**25. Non-Controlling Interest**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Total assets net of total liabilities of Morton Foods Limited</b>		
Financial Assets	474.23	289.77
Non-financial Assets	6,168.94	7,312.43
Financial Liabilities	(4,179.61)	(3,083.04)
Non-financial Liabilities	(145.61)	(206.32)
<b>Net assets</b>	<b>2,317.95</b>	<b>4,312.84</b>
<b>Non-Controlling Interest 30.66% in total assets net of total liabilities</b>	<b>710.68</b>	<b>1,322.38</b>

**Note:** Morton Foods Limited, being a subsidiary of the Company, has allotted 64,70,000 equity shares of ₹ 10 each at a premium of ₹ 24 each to other than the Company and fellow subsidiaries during the financial year 2022-23.

**26. Interest Income**

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>On financial assets measured at amortised cost</b>		
Interest on inter-corporate deposits	-	0.03
Interest on bank deposits	69.37	37.02
Interest on security deposits	-	0.66
	<b>69.37</b>	<b>37.71</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 27. Net gain on fair value changes

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(A) <i>Net Gain / (loss) on financial instruments at fair value through profit or loss</i>		
On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
On financial instruments designated at fair value through profit or loss	1.05	-
(B) <i>Others</i>	-	-
<b>Total Net gain/(loss) on fair value changes (C)</b>	<b>1.05</b>	<b>-</b>
<b>Fair value changes</b>		
- Realised	-	-
- Unrealised	1.05	-
<b>Total Net gain/(loss) on fair value changes (D)</b>	<b>1.05</b>	<b>-</b>

### 28. Sale of Products

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Finished goods *	2,414.05	3,387.84
Stock-in-trade *	1,460.49	2,221.63
	<b>3,874.54</b>	<b>5,609.47</b>
Less: Claims, Rebates, etc.	379.29	1,085.38
	<b>3,495.25</b>	<b>4,524.09</b>
Scrap sales	5.71	14.32
	<b>3,500.96</b>	<b>4,538.41</b>

\* net of returns.

#### Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":

- (a) **Nature of goods and services:** MFL, being subsidiary of the Company, is engaged in manufacturing and sale of food stuff and the same is only its reportable primary segment.
- (b) **Disaggregation of revenue:** The major operation of MFL is manufacturing and sale of food stuff, operating globally. Disaggregation of revenue from sale of product based on the geographical segment is as follows:

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(i) Sale in India	3,497.34	4,527.82
(ii) Sale outside India	3.61	10.59
	<b>3,500.95</b>	<b>4,538.41</b>

- c) **Contract balances:** Receivables from contract with customers of MFL are included in Trade Receivables is ₹ **435.46** (31 March 2023: ₹ 248.64) (Refer Note 6 "Receivables"). Contract assets and contract liabilities with customers of MFL is ₹ **74.14** (31 March 2023: ₹ 93.88).

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 29. Other Income

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on refund from income tax department	0.50	5.58
Unspent liabilities, Provision no longer required and Unclaimed balances written back	3.22	33.51
Insurance and other claims	2.83	0.71
	<b>6.55</b>	<b>39.80</b>

### 30. Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on Borrowings (other than securities)	252.11	282.17
Interest on Deposits	-	0.77
Interest on Subordinated Liabilities	3.57	9.95
Interest on Lease Liabilities [Note 41]	2.78	4.99
Interest on income tax	0.02	0.15
	<b>258.48</b>	<b>298.03</b>

### 31. Fees and Commission Expense

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Listing and other regulatory fees	7.73	7.66
Fees relating to ROC matters	0.50	1.57
	<b>8.23</b>	<b>9.23</b>

### 32. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventory of materials at the beginning of the year	60.01	46.28
Add: Purchases and procurement expenses	686.22	1,065.43
	<b>746.23</b>	<b>1,111.71</b>
Less: Inventory of materials at the end of the year	49.42	60.01
	<b>696.81</b>	<b>1,051.70</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 33. Changes in Inventories of Finished goods, Stock-in-trade and Work-in-progress

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Inventories at the end of the year</b>		
Finished goods	528.31	730.20
Work-in-progress	79.60	129.04
Stock-in-trade	191.26	444.23
	<b>799.17</b>	<b>1,303.47</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	730.20	568.48
Work-in-progress	129.04	110.14
Stock-in-trade	444.23	502.95
	<b>1,303.47</b>	<b>1,181.57</b>
<b>Changes in inventories of Finished Goods, Stock-in-trade and work in progress</b>	<b>504.30</b>	<b>(121.90)</b>

### 34. Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages, bonus etc.	997.77	1,310.97
Contribution to provident and other funds *	68.09	98.00
Expenses related to post-employment defined benefit plans [Note 20]	10.87	13.32
Staff welfare expenses	18.10	36.87
	<b>1,094.83</b>	<b>1,459.16</b>
The amount belongs to -		
- Related parties [Note 44]	24.70	37.45
- Others	1,070.13	1,421.71
	<b>1,094.83</b>	<b>1,459.16</b>

\* are defined contribution plans.

### 35. Depreciation and Amortisation

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on Investment property [Note 11]	1.72	2.04
Depreciation on Property, plant and equipment [Note 12]	55.92	61.68
Amortisation of Intangible Assets [Note 13]	14.29	15.49
	<b>71.93</b>	<b>79.21</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 36. Other Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
Consumption of stores and spares		101.07		156.08
Packing materials consumed		645.63		1,102.42
Repairs and maintenance		39.43		59.70
Rent, tax and energy costs		110.07		166.08
Communication costs		-		8.80
Printing and stationery		3.29		7.70
Advertisement and publicity		1.23		130.18
Director's sitting fees [Note 44]		4.23		3.88
Payment to auditors				
As Auditors				
- Statutory audit	6.09		6.14	
- Limited review of quarterly results	3.51		3.55	
In other capacity				
- For certificates and other services	3.36		4.78	
Reimbursement of expenses	0.29	13.25	-	14.47
Legal and professional charges		64.17		92.09
Service charges		17.05		14.18
Insurance		14.89		11.03
Freight and forwarding charges		288.65		356.64
Other selling expenses		98.60		50.70
Provision for warranties and claims		17.69		36.53
Provision for expired stock		202.31		-
Provision for bad and doubtful debts and advances		63.51		47.57
Miscellaneous expenses		174.30		219.57
		<b>1,859.37</b>		<b>2,477.62</b>

### 37. Tax expense

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
<b>Current tax</b>	142.27	171.99
<b>Provision for tax related to earlier years</b>	(0.14)	(0.83)
<b>Deferred tax</b>		
Attributable to origination and reversal of temporary differences	0.27	-
	<b>142.40</b>	<b>171.16</b>

#### Reconciliation of tax expense

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
<b>Profit / (Loss) before tax</b>	(1,433.62)	(1,454.57)
Aggregated Tax using the Group's domestic tax applicable rates	(377.50)	(266.13)
Tax effect of:		
- Deferred tax expense (net of deferred tax credit) adjusted with deferred tax assets not recognised	509.85	484.31
- Interest expense on Preference shares classified as subordinated liability not deductible for tax purposes	0.90	1.67
- Amount related to earlier years	(0.14)	(0.83)
- Others (including permanent differences)	9.29	(47.86)
<b>Total Tax expense</b>	<b>142.40</b>	<b>171.16</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 38. Earnings per equity share (EPS)

#### Basic and Diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(i) Profit attributable to equity shareholders (₹ in lakhs)	(961.94)	(1,557.38)
(ii) Weighted average number of equity shares for the year At the beginning and at the end of the year	1,00,03,102	1,00,03,102
(iii) <b>Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]</b> <b>Basic and Diluted (₹)</b>	<b>(9.62)</b>	<b>(15.57)</b>

There is no dilutive potential equity share.

### 39. Contingent Liabilities (to the extent not provided for)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Demands / claim by various Government authorities and others not acknowledged as debts and contested by the subsidiary MFL: *		
(i) Sales tax	1.65	1.65
(ii) A case was filed by the ESI authorities for recovery of contribution	4.54	4.54
	<b>6.19</b>	<b>6.19</b>

#### \* Notes:

- Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.
- The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Group does not expect any reimbursement in respect of the above contingent liabilities.
- Sales Tax demand is pending due to non receiveing of 'F' forms from the CFA agents for the year 1993-94,1996-1997 and 1997-98.
- The case was filled due to recovery notice sent under section 5 of the Revenue Recovery Act,1950 for recovery of contribution under section 45 b of ESI Act,1939 (as amended) for the year 1976-77 and peding in Hon'ble Allahabad High Court.

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(b) In case of the subsidiary MFL, bank guarantees outstanding*	153.37	77.62
(c) Uncalled Capital on partly paid shares held as investment	123.60	123.60
	<b>276.97</b>	<b>201.22</b>

Note: (i) Bank guarnatees given to Army Purchase Organisation against the Performance Bank Guarantee for the year 2021 to 2023.

- Morton Foods Limited, subsidiary of the Company, has incurred a net losses during the year ended 31 March 2024 and as on 31 March 2023, its net worth has eroded. However, based on the positive outlook towards the growth and the ability of the said subsidiary to continue as a going concern in the foreseeable future. Its financial information has been consolidated in this consolidated financial statements for the year ended 31 March 2024 on a going concern basis.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 41. Lease

#### As Lessee

The subsidiary MFL has lease contract for one item of building used in its operations. The subsidiary's (MFL) obligation under its lease is secured by lessor's title to the leased assets.

The Subsidiary MFL measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the the incremental borrowing rate i.e. 8% p.a.

The carrying amount of right-of-use assets (Buildings) recognised and its movements during the year are disclosed in Note 12.

The carrying amount of lease liabilities included in Note 19 and its movements during the year are as under:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	35.33	54.78
Finance cost accrued	2.78	4.99
Payment of lease liabilities	(26.85)	(24.44)
<b>Balance at the end of the year</b>	<b>11.26</b>	<b>35.33</b>
Non-current	-	8.48
Current	11.26	26.85
	<b>11.26</b>	<b>35.33</b>

The maturity analysis of lease liabilities on an undiscounted basis are as under:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	11.26	26.85
One to two years	-	8.48
Two to five years	-	2.04
<b>Total</b>	<b>11.26</b>	<b>37.37</b>

The followings are the amounts recognised during the year in profit or loss:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation on right-of-use assets [Note 12]	21.63	21.63
Interest on lease liabilities [Note 30]	2.78	4.99
Expenses relating to short-term and low-value leases [Note 36]	0.56	4.32
	24.97	30.94

There is no liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 42. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments and its operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments as described below, which are the Group's strategic business:

Investing Business	Consists of interest income from inter-corporate deposits and bank deposits and dividend income from investment in shares and securities.
Food Processing Business	Consists of business of canned fruits and vegetables, jam, jellies, squashes and juices etc.

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Revenue from operations</b>		
Investing Business	593.95	780.97
Food Processing Business	3,500.95	4,538.43
	<b>4,094.90</b>	<b>5,319.40</b>
<b>Segment results</b>		
Investing Business	580.85	758.89
Food Processing Business	(1,739.03)	(1,902.67)
	<b>(1,158.18)</b>	<b>(1,143.78)</b>
<b>Less: Finance costs</b>	258.48	298.03
Less: Other unallocable expenditure (net of unallocable income)	16.96	12.76
<b>Profit / (Loss) before tax</b>	<b>(1,433.62)</b>	<b>(1,454.57)</b>
<b>Segment assets</b>		
Investing Business	49,758.87	35,284.00
Food Processing Business	6,183.07	7,127.56
Unallocable Assets	44.98	1,007.07
<b>Total assets</b>	<b>55,986.92</b>	<b>43,418.63</b>
<b>Segment liabilities</b>		
Investing Business	3,120.48	512.01
Food Processing Business	778.52	816.25
Unallocable Liabilities	3,096.17	2,282.32
<b>Total liabilities</b>	<b>6,995.17</b>	<b>3,610.58</b>
<b>Other segment information</b>		
Capital expenditure - Property, Plant and Equipment		
Investing Business	-	-
Food Processing Business	1.19	11.91
	<b>1.19</b>	<b>11.91</b>
Depreciation and Amortisation		
Investing Business	1.72	2.05
Food Processing Business	70.21	77.16
	<b>71.93</b>	<b>79.21</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 43. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakhs)

Particulars	As at 31 March 2024		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	35.93	-	35.93
Bank Balances other than Cash and Cash Equivalents	998.42	-	998.42
Receivables	321.54	113.92	435.46
Investments	-	48,583.00	48,583.00
Other Financial Assets	51.66	12.68	64.34
<i>Non-financial Assets:</i>			
Inventories	1,034.16	-	1,034.16
Current Tax Assets (net)	9.05	-	9.05
Investment Property	-	33.50	33.50
Property, Plant and Equipment	-	4,580.74	4,580.74
Intangible Assets	-	32.11	32.11
Other Non-financial Assets	179.11	1.10	180.21
<b>Total Assets</b>	<b>2,629.87</b>	<b>53,357.05</b>	<b>55,986.92</b>
<i>Financial Liabilities:</i>			
Payables	990.75	-	990.75
Borrowings (Other than Debt Securities)	3,021.00	-	3,021.00
Deposits	-	-	-
Subordinated Liabilities	-	-	-
Other Financial Liabilities	154.15	18.17	172.32
<i>Non-financial Liabilities:</i>			
Current Tax Liabilities (net)	-	-	-
Provisions	39.09	26.83	65.92
Deferred Tax Liabilities (net)	-	2,648.86	2,648.86
Other Non-financial Liabilities	96.32	-	96.32
<b>Total Liabilities</b>	<b>4,301.31</b>	<b>2,693.86</b>	<b>6,995.17</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>(1,671.44)</b>	<b>50,663.19</b>	<b>48,991.75</b>

(₹ in lakhs)

Particulars	As at 31 March 2023		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	995.32	-	995.32
Bank Balances other than Cash and Cash Equivalents	210.00	-	210.00
Receivables	155.00	93.65	248.65
Investments	-	34,923.24	34,923.24
Other Financial Assets	5.55	19.32	24.87
<i>Non-financial Assets:</i>			
Inventories	1,797.70	-	1,797.70
Current Tax Assets (net)	11.74	-	11.74
Investment Property	-	35.22	35.22
Property, Plant and Equipment	-	4,635.46	4,635.46
Intangible Assets	-	46.41	46.41
Other Non-financial Assets	474.72	15.30	490.02
<b>Total Assets</b>	<b>3,650.03</b>	<b>39,768.60</b>	<b>43,418.63</b>
<i>Financial Liabilities:</i>			
Payables	954.32	-	954.32
Borrowings (Other than Debt Securities)	1,969.60	-	1,969.60
Subordinated Liabilities	259.16	-	259.16
Other Financial Liabilities	128.89	34.70	163.59
<i>Non-financial Liabilities:</i>			
Current Tax Liabilities (net)	0.58	-	0.58
Provisions	98.71	-	98.71
Deferred Tax Liabilities (net)	-	41.85	41.85
Other Non-financial Liabilities	122.77	-	122.77
<b>Total Liabilities</b>	<b>3,534.03</b>	<b>76.55</b>	<b>3,610.58</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>116.00</b>	<b>39,692.05</b>	<b>39,808.05</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 44. Related Party Disclosures

In accordance with the requirements of Indian Accounting Standard (Ind-AS) 24 Related Party Disclosures, names of the related parties, related party relationships, transactions and outstanding balances, where control exist and with whom transactions have been taken place during the reported periods are:

#### A. Names of related parties and related party relationship

##### Related parties where control exist / with whom transactions have been taken place during the year

Key management personnel	Mrs. Shalini Nopany	–	Chairperson / Non-Executive Director
	Mr. Chandra Shekhar Nopany	–	Non-Executive Director of a subsidiary
	Ms. Urvi Mittal	–	Non-Executive Director of a subsidiary
	Mr. Arun Kumar Newar	–	Independent / Non-Executive Director
	Mr. Chhedi Lal Agarwal	–	Independent / Non-Executive Director
	Mr. Dinesh Kacholia	–	Independent / Non-Executive Director
	Mr. Suresh Kumar Khandelia	–	Independent / Non-Executive Director
	Mr. Chand Bihari Patodia	–	Managing Director
	Mr. Vinayak Viswanath Kamath	–	Non-Executive Director of a subsidiary
	Mr. Shounak Mitra	–	Non-Executive Director of a subsidiary
	Ms. Meena Jagtiani	–	Non-Executive Director of a subsidiary
	Mr. Deepak Kumar Sharma	–	Chief Financial Officer
	Mr. Vikram Kumar Mishra	–	Company Secretary (from 12 January 2023)
	Ms. Mayuri Raja	–	Company Secretary (upto 12 January 2023)
	Mr. Sugata Bhattacharya	–	Chief Financial Officer of a subsidiary (from 6th April 2023 till 7 February 2024)
	Mr. Abhay Andhare	–	Chief Financial Officer of a subsidiary (upto 1 November 2022)

#### B. The following transactions were carried out with related parties in the ordinary course of business

##### Director's Sitting Fees/Remuneration to KMPs

##### (a) Short term employee benefits

(₹ in lakhs)

Particulars	Year ended 31 March	Director's sitting fees	Remuneration to KMPs	Amount owed to related parties
<i>Key management personnel</i>				
Ms. Shalini Nopany	2024	0.20	-	-
	2023	0.20	-	-
Mr. Chandra Shekhar Nopany	2024	0.35	-	-
	2023	0.27	-	-
Ms. Urvi Mittal	2024	0.30	-	-
	2023	0.20	-	-
Mr. Arun Kumar Newar	2024	0.45	-	-
	2023	0.50	-	-
Mr. Chhedi Lal Agarwal	2024	0.45	-	-
	2023	0.50	-	-
Mr. Dinesh Kacholia	2024	0.45	-	-
	2023	0.50	-	-
Mr. Suresh Kumar Khandelia	2024	0.68	-	-
	2023	0.57	-	-
Mr. Chand Bihari Patodia	2024	0.43	-	-
	2023	0.30	-	-
Mr. Vinayak Viswanath Kamath	2024	0.28	-	-
	2023	0.30	-	-
Mr. Shounak Mitra	2024	0.35	-	-
	2023	0.33	-	-
Ms. Meena Jagtiani	2024	0.30	-	-
	2023	0.21	-	-
Mr. Sugata Bhattacharya	2024	-	24.70	-
	2023	-	3.17	-
Mr. Abhay Andhare	2024	-	-	-
	2023	-	34.28	-

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 44. Related Party Disclosures (Contd.)

**(b) Post employment benefits**

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis.

**C. Details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013**

- (i) The Company and its subsidiaries other than being registered non-banking financial company have neither given any loan nor has advanced any amount during the year ended 31 March 2024 and during the year ended 31 March 2023.
- (ii) Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note 7.

**D. Terms and conditions of transactions with related parties**

- (i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- (ii) No amount is outstanding or receivable and no guarantees have been given or received.
- (iii) For the year ended 31 March 2024, the Group has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- (iv) The sitting fees of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

### 45. Financial instruments - fair values and risk management

**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
<b>As at 31 March 2024</b>					
<b>Financial assets</b>					
Investments - Quoted	-	36,366.98	-	36,366.98	36,366.98
Investments - Unquoted	-	11,914.95	-	11,914.95	11,914.95
Investments - Mutual funds	301.06	-	-	301.06	301.06
Cash and cash equivalents	-	-	35.93	35.93	35.93
Bank Balances other than Cash and cash equivalents	-	-	998.42	998.42	998.42
Receivables	-	-	435.46	435.46	435.46
Investment in Government Securities	-	-	0.01	0.01	0.01
Other financial assets	-	-	64.34	64.34	64.34
	<b>301.06</b>	<b>48,281.93</b>	<b>1,534.16</b>	<b>50,117.15</b>	<b>50,117.15</b>
<b>Financial liabilities</b>					
Payables	-	-	990.75	990.75	990.75
Borrowings (Other than Debts Securities)	-	-	3,021.00	3,021.00	3,021.00
Other financial liabilities	-	-	172.32	172.32	172.32
	-	-	<b>4,184.07</b>	<b>4,184.07</b>	<b>4,184.07</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 45. Financial instruments - fair values and risk management (Contd.)

#### A. Accounting classification and fair values (Contd.)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
<b>As at 31 March 2023</b>					
<b>Financial assets</b>					
Investments - Quoted	-	26,144.50	-	26,144.50	26,144.50
Investments - Unquoted	-	8,778.73	-	8,778.73	8,778.73
Cash and cash equivalents	-	-	995.32	995.32	995.32
Bank Balances other than Cash and cash equivalents	-	-	210.00	210.00	210.00
Receivables	-	-	248.65	248.65	248.65
Investment in Government Securities	-	-	0.01	0.01	0.01
Other financial assets	-	-	24.87	24.87	24.87
	-	<b>34,923.23</b>	<b>1,478.85</b>	<b>36,402.08</b>	<b>36,402.08</b>
<b>Financial liabilities</b>					
Payables	-	-	954.32	954.32	954.32
Borrowings (Other than Debts Securities)	-	-	1,969.60	1,969.60	1,969.60
Subordinated liabilities	-	-	259.16	259.16	259.16
Other financial liabilities	-	-	163.59	163.59	163.59
	-	-	<b>3,346.67</b>	<b>3,346.67</b>	<b>3,346.67</b>

The management assessed that cash and cash equivalent, receivables, loans and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted investments are based on market price at the respective reporting date.
- The fair value of the unquoted investments is based on independent valuation report, using combination of different methodologies i.e. discounted cash flow method and net assets method with equal weightage.

#### B. Measurement of fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Group has established the following fair value hierarchy that categories the value into 3 levels.

Financial assets and liabilities measured at fair value - recurring fair value measurements as under:

Particulars	Note	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2024</b>					
Investments - Quoted	7	36,366.98	-	-	36,366.98
Investments - Unquoted	7	-	-	11,914.95	11,914.95
Investments - Mutual funds	7	301.06	-	-	301.06
<b>As at 31 March 2023</b>					
Investments - Quoted	7	26,144.50	-	-	26,144.50
Investments - Unquoted	7	-	-	8,778.73	8,778.73

**Notes to Consolidated Financial Statements** for the year ended 31 March 2024 (Contd.)**45. Financial instruments - fair values and risk management (Contd.)****C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

**Risk management framework**

The Group's principal financial liabilities includes payable, borrowings (other than debt securities), deposits, subordinated liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include cash and cash equivalents, bank balances other than cash and cash equivalents, receivables, loans, investments and other financial assets that derive directly from its operations.

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

**(i) Credit risk**

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group receivables from customers. The Group has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**Receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Group assesses the impairment of receivable on case to case basis and has accordingly created loss allowance on receivables.

**Exposure to credit risks**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Group evaluates the concentration of risk with respect to receivables as low, as the Group's income are mostly on cash.

The Group's exposure to credit risk for receivables by type of counterparty is as follows.

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 1 March 2023
Government entities	308.93	103.95
Others	126.53	144.70
	<b>435.46</b>	<b>248.65</b>



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 45. Financial instruments - fair values and risk management (Contd.)

Receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the credit loss allowance for receivables.

Ageing of trade receivables is disclosed in Note 6.

During the year, the Subsidiary MFL has made the provision of Rs 63.51 lakhs (31st March, 2023: Rs 47.57) towards doubtful debts, not written off and the Subsidiary MFL is exploiting all means to recover the same. The Subsidiary's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

The Group's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

#### (ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

#### Exposure to liquidity risks

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)						
Particulars	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
<b>As at 31 March 2024</b>						
Payables	990.75	990.75	754.25	235.25	1.25	-
Borrowings (Other than Debts Securities)	3,021.00	3,021.00	3,021.00	-	-	-
Other financial liabilities*	172.32	172.32	154.15	5.00	-	13.17
	<b>4,184.07</b>	<b>4,184.07</b>	<b>3,929.40</b>	<b>240.25</b>	<b>1.25</b>	<b>13.17</b>
<b>As at 31 March 2023</b>						
Payables	954.32	954.32	954.32	-	-	-
Borrowings (Other than Debts Securities)	1,969.60	1,969.60	1,969.60	-	-	-
Subordinated Liabilities*	259.16	262.66	262.66	-	-	-
Other financial liabilities*	163.59	165.63	128.89	13.48	2.04	21.22
	<b>3,346.67</b>	<b>3,352.21</b>	<b>3,315.47</b>	<b>13.48</b>	<b>2.04</b>	<b>21.22</b>

\* including estimated finance cost including dividend.

#### (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and payables.

## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 45. Financial instruments - fair values and risk management (Contd.)

#### Foreign currency risks

All transactions of the Group are in Indian currency, consequently the Group is not exposed to foreign currency risk. The Group has no outstanding foreign currency exposure or related derivative contract.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

#### Exposure to interest rate risks

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Fixed rate instruments</b>		
Financial assets	998.42	1,108.00
Financial liabilities	1,550.00	259.16
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	1,471.00	1,969.60

#### Cash flow sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31st March, 2024</b>				
Variable rate instruments	(7.36)	7.36	(5.45)	5.45
<b>31st March, 2023</b>				
Variable rate instruments	(9.85)	9.85	(7.29)	7.29

#### Equity risk

The Group's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

#### Sensitivity analysis

Investment in equity instruments (Quoted) of the Group are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase / decrease of the Nifty 50 index on the Group's equity and profit for the period. The analysis is based on the assumption that the BSE / NSE had increased / decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

(₹ in lakhs)

Particulars	Profit or loss before tax		Equity, net of tax	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
BSE / NSE - increase by 10%	3,636.70	2,614.45	3,220.66	2,315.36
BSE / NSE - decrease by 10%	(3,636.70)	(2,614.45)	(3,220.66)	(2,315.36)

#### Regulatory risk

The Group's operations is significantly regulated by neither by Central Government nor by State Government. Hence, Regulatory risk to the Group is very low.



## Notes to Consolidated Financial Statements for the year ended 31 March 2024 (Contd.)

### 46. Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

### 47. Statutory Group Information

Name of the entity in the Group	Net Assets i.e. Total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated OCI	Amount (₹ in Lakhs)	As % of consolidated TCI	Amount (₹ in Lakhs)
<b>Parent:</b>								
<b>Palash Securities Limited</b>								
As at / for the year ended 31 March 2024	1.23%	604.70	(1.04%)	16.38	0.63%	68.09	0.93%	84.47
As at / for the year ended 31 March 2023	1.31%	520.24	2.68%	(43.51)	0.27%	(42.72)	0.51%	(86.23)
<b>Subsidiaries (Indian):</b>								
<b>Morton Foods Limited</b>								
As at / for the year ended 31 March 2024	3.28%	1,607.28	88.11%	(1,388.57)	0.05%	5.38	(15.06%)	(1,383.19)
As at / for the year ended 31 March 2023	7.51%	2,990.46	131.06%	(2,130.69)	(0.13%)	20.13	12.25%	(2,110.56)
<b>Champaran Marketing Company Limited</b>								
As at / for the year ended 31 March 2024	17.03%	8,341.17	(5.26%)	82.96	15.57%	1,673.80	19.12%	1,756.76
As at / for the year ended 31 March 2023	16.54%	6,584.41	(6.74%)	109.51	14.09%	(2,198.56)	12.11%	(2,089.05)
<b>Hargaon Investment &amp; Trading Company Limited</b>								
As at / for the year ended 31 March 2024	50.76%	24,867.47	(15.18%)	239.19	57.53%	6,190.29	70.01%	6,429.49
As at / for the year ended 31 March 2023	46.32%	18,439.98	(22.93%)	372.93	57.38%	(8,957.71)	49.80%	(8,584.78)
<b>OSM Investment &amp; Trading Company Limited</b>								
As at / for the year ended 31 March 2024	26.15%	12,811.58	(5.65%)	89.12	26.21%	2,819.78	31.67%	2,908.89
As at / for the year ended 31 March 2023	24.88%	9,902.69	(8.32%)	135.25	28.39%	(4,431.81)	24.93%	(4,296.56)
<b>Hargaon Properties Limited</b>								
As at / for the year ended 31 March 2024	0.10%	48.87	0.06%	(1.02)	-	-	(0.01%)	(1.02)
As at / for the year ended 31 March 2023	0.12%	47.89	0.05%	(0.87)	-	-	0.01%	(0.87)
<b>Minority Interest in Subsidiary (Indian)</b>								
<b>Morton Foods Limited</b>								
As at / for the year ended 31 March 2024	1.45%	710.68	38.96%	(614.08)	0.01%	2.38	(6.66%)	(611.70)
As at / for the year ended 31 March 2023	3.32%	1,322.38	4.20%	(68.35)	0.00%	0.65	0.39%	(67.70)
<b>Total</b>								
As at / for the year ended 31 March 2024	100.00%	48,991.75	100.00%	(1,576.02)	100.00%	10,759.72	100.00%	9,183.70
As at / for the year ended 31 March 2023	100.00%	39,808.05	100.00%	(1,625.73)	100.00%	(15,610.02)	100.00%	(17,235.75)

48. The previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

As per our report of even date attached.

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Prosanta Mukherjee**

Partner

Membership No.: 053651

Place: Kolkata

Date: 15 May 2024

For and on behalf of the Board of Directors

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Vikram Kumar Mishra**

Company Secretary

**Shalini Nopany**

Director

DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer







Note

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Note

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**PALASH SECURITIES LIMITED**

**CIN : L74120UP2015PLC069675**

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