

# 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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1st August, 2021

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

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

Symbol : PALASHSECU

Stock Code : 540648

Dear Sirs,

**Sub: Annual Report including Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021**

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose a copy of the Annual Report including Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended 31st March, 2021 together with the Notice dated 12th May, 2021 convening the 7<sup>th</sup> Annual General Meeting of the Company on 25th August, 2021.

Thanking you,

Yours faithfully,  
For Palash Securities Limited

  
Mayuri Raja  
Company Secretary  
ACS : 26022



Encl: a/a

# 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 7th Annual General Meeting (AGM) of the members of **PALASH SECURITIES LIMITED** will be held on Wednesday, 25th August, 2021 at 11 A.M., 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 year ended 31st March, 2021 and the Reports of the Directors and Auditors thereon.
- b) the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2021 and the Reports of the Auditors thereon.

2. To appoint a Director in place of Mrs Shalini Nopany (DIN: 00077299) who retires by rotation and, being eligible, seeks re-appointment.

#### 3. To reappoint the Statutory Auditors of the Company:

RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Agrawal Subodh & Co., Chartered Accountants (Registration No. 319260E), be and are hereby re-appointed as the Statutory Auditors of the Company for another term of 5 years commencing from the conclusion of this Annual General Meeting till the conclusion of the twelfth Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbursalment of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit of the accounts of the Company.

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

**Mayuri Raja**  
Company Secretary  
ACS 26022

Place: Kolkata  
Dated : 12th May, 2021

### NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. 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 7th AGM of the

## NOTICE

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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.

4. The statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”) is given below and forms part hereof.
5. 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.co.in](mailto:evoting@nsdl.co.in).
6. The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, 19th August, 2021 to Wednesday, 25th August, 2021 (both days inclusive) for the purpose of the AGM
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrars and Transfer Agents, Link Intime India Private Limited (“RTA”) for assistance in this regard.
8. 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.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form.
11. 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.
12. 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 18th August, 2021 through email on [palashsecurities@birlasugar.org](mailto:palashsecurities@birlasugar.org). The same will be replied by the Company suitably.
13. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company’s website [www.birla-sugar.com/](http://www.birla-sugar.com/) [www.palashsec.com](http://www.palashsec.com), websites of the Stock Exchanges, that is, 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 <https://www.evoting.nsdl.com>
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. 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)
16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
17. 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..

### **VOTING THROUGH ELECTRONIC MEANS**

- 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 Saturday, 21st August, 2021 (9:00 a.m. IST) and ends on Tuesday, 24th August, 2021 (5:00 p.m. IST).  
During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 18th August, 2021 i.e. cut-off date, 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 Board of Directors has appointed Mr Mohan Ram Goenka (Membership No. FCS 4515), Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- IV. 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.
- V. 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.
- VI. 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.co.in](mailto:evoting@nsdl.co.in). 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.
- VII. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.birla-sugar.com](http://www.birla-sugar.com) / [www.palashsec.com](http://www.palashsec.com). The Notice can also be accessed from the website of BSE Ltd and the National Stock Exchange Ltd and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- VIII. AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 02/2021 dated January 13 2021, MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on Saturday, 21st August, 2021 at 9:00 A.M. and ends on Tuesday, 24th August, 2021 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. Wednesday, 18th August, 2021 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 Wednesday, 18th August, 2021.

#### **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**

##### **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.

## NOTICE

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. 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 re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS 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>
	3. 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 “Login” 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 & voting during the meeting.
	4. Shareholders/Members can also download NSDL Mobile App “ <b>NSDL Speede</b> ” facility by scanning the QR code mentioned below for seamless voting experience.  <b>App Store</b>  <b>Google Play</b>
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b> . Click on <b>NSDL</b> to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	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 e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**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.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

**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?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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.nsd.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***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) 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.
  - c) How to retrieve your 'initial password'?
    - (i) 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'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. 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 company for which you wish 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 General 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 with a copy marked to evoting@nsdl.co.in.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Wednesday, 18th August, 2021 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode 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 i.e. **Wednesday, 18th August, 2021** may follow steps mentioned in the Notice of the AGM under Step 1 : "Access to NSDL e-Voting system"(Above).
3. 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.
4. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**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), Aadhaar (self attested scanned copy of Aadhaar 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), Aadhaar (self attested scanned copy of Aadhaar 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.co.in](mailto:evoting@nsdl.co.in) 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 link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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. Further 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. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at palashsecurities@birlasugar.org latest by 5 p.m. (IST) on Wednesday, 18th August, 2021.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at palashsecurities@birlasugar.org latest by 5 p.m. (IST) on Wednesday, 18th August, 2021. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. 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.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call 1800 1020 990 / 1800 22 44 30.

**Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.birla-sugar.com](http://www.birla-sugar.com) / [www.palashsec.com](http://www.palashsec.com). and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Ltd and National Stock Exchange Ltd where the shares of the Company are listed.

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 3**

M/s Agrawal Subodh & Co., Chartered Accountants, (Firm Registration No: 319260E), were appointed as the Statutory Auditors of the Company by the Members at the 2nd Annual General Meeting (AGM) of the Company held on September 12, 2016 to hold office as the Statutory Auditors of the Company from the conclusion of such AGM till the conclusion of the 7th AGM of the Company to be held in the year 2021, subject to ratification of their appointment at every AGM. However, since the first provision to Section 139(1) has been omitted by the Companies Amendment Act, 2011 with effect from 7th May, 2018, the ratification of such appointment at every AGM is not required.

Accordingly, their present term gets completed on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of M/s Agrawal Subodh & Co., Chartered Accountants, as the Auditors of the Company for another period of 5 years from the conclusion of this AGM till the conclusion of the 12th AGM to be held in the year 2026 as set out in the Resolution relating to their re-appointment.

M/s Agrawal Subodh & Co. have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board of Directors recommends the Ordinary Resolution set out in Item no. 3 for your approval



## NOTICE

### Particulars of Directors seeking appointment/re-appointment at the Annual General Meeting

<b>Name</b>	<b>Mrs. Shalini Nopany</b>	
Date of Birth	13.03.1968	
Brief Profile covering experience	Mrs. Shalini Nopany, holds a Honours Degree in Bachelor of Commerce from University of Delhi and Masters of Business Administration from the University of Pittsburgh, USA. She is an eminent business personality and due to her wide experience in the field of business administration occupies position of Director in several companies including with Indian Chamber of Commerce.	
Date of Appointment	02.08.2016	
Remuneration last drawn (FY 2020-21)	Refer Corporate Governance Report	
No of meetings of the Board attended during the financial year (2020-21)	4 (Four)	
	<b>Name of Company(ies)</b>	<b>Committee Memberships, if any with position</b>
Other Directorships	Indian Chamber of Commerce Calcutta	
	SCM Investment & Trading Co Limited	
	SIL Investments Limited	● Corporate Social Responsibility Committee-Member
	Gladiolus Traders Private Limited	
	RTM Investment & Trading Co. Limited	
	Sidh Enterprises Limited	
	New India Retailing & Investment Limited	● Stakeholders' Relationship Committee- Member ● Nomination & Remuneration Committee-Member
	Nilgiri Plantations Limited	
	La Monde Trading & Investment Private Limited	

Place: Kolkata  
Dated : 12th May, 2021

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

Mayuri Raja  
**Company Secretary**  
ACS 26022

Annual Report  
2020-21



# Corporate Information

## Board of Directors

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

## Committees of Directors

### Audit Committee

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

### Stakeholders' Relationship Committee

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

### Nomination and Remuneration Committee

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

### Key Managerial Personnel

Mr. Chand Bihari Patodia, Managing Director  
Mr. Deepak Kumar Sharma, Chief Financial Officer  
Ms Mayuri Raja, 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

## 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  
Website : 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  
Website : www.birla-sugar.com

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## Directors' Report

Dear Members,

Your Directors present herewith the 7th Annual Report on the business & operations of the Company alongwith the Audited Statement of Accounts for the financial year ended 31st March, 2021.

### 1. Financial Results

A summary of standalone and consolidated Financial Performance of the Company for the financial year ended on 31st March 2021, are summarized below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
Total Revenue from Operations	297.83	6.94	5855.95	4567.48
Profit before Finance Costs, Tax, Depreciation and Amortization	302.49	12.67	(1069.61)	(56.58)
Less: Depreciation & Amortization Expenses	2.13	2.37	35.27	31.55
Less: Finance Cost	12.66	19.95	143.40	71.33
Profit/(Loss) Before Tax	287.70	(9.65)	(1248.28)	(159.46)
Profit/(Loss) After Tax	287.72	(9.65)	(1282.91)	(193.53)

### 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 2020-21

During the Financial Year 2020-21, the Company incurred a profit after tax of ₹ 287.72 lakhs on standalone basis. On consolidated basis the loss stood at ₹ 1282.91 lakhs.

In view of inadequate profits, the Board of the Directors has not recommended payment of dividend.

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 2021 and date of this report.

### 4. 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.

### 5. Share Capital

Paid up Share capital comprises of 1,00,03,102 Equity Shares with a face value of ₹ 10/- totaling to ₹ 10,00,31,020/- and 13,00,000 Preference Shares of ₹10/- each totaling to ₹ 1,30,00,000/- . During the year under review, there has been no change in the capital structure.

Your Company has not issued any shares/securities during the Financial Year 2020-21.

## 6. Subsidiary, Associate and Joint Venture

During the year, there was no change in the subsidiaries. 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 being disclosed on the Company's website at the weblink <http://birla-sugar.com/Assets/Palash/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES%20NEW.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 "G"**

## 7. 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.

## 8. Directors

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

Mrs Shalini Nopany will retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re- appointment as Director of the Company.

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.

Other information on the Director including required particulars of Director retiring by rotation is provided in the Notice convening the Annual General Meeting.

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 2020-21. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 12th November, 2020 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.

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 and available at the weblink

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 available at the website of the Company at <http://www.birla-sugar.com/Palash-Shareholders-Info/Terms-and-conditions-of-appointment-of-Independent-Directors-Palash>

## 9. Key Managerial Personnel

The following directors / executives of your Company are whole-time Key Managerial Personnel (KMPs) as on 31st March, 2021 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) Ms. Mayuri Raja – Company Secretary

During the year under review, there was no change in the Key Managerial Personnel.

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 by the Managing Director is made part of Corporate Governance Report which 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>. All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

## 10. Remuneration Policy

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy as adopted by the Board of Directors is available at the website of the Company at the weblink <http://www.birla-sugar.com/Assets/Palash/PALASH-REMUNERTION-POLICY.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 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. As per the Remuneration Policy, a person proposed to be appointed as Director, KMP or other 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 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.

## 11. 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 and available at the weblink-<http://www.birla-sugar.com/Assets/Palash/Familiarisation%20Programme%20-%20Disclosure.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 available at the website of the Company at <http://www.birla-sugar.com/Palash-Shareholders-Info/Terms-and-conditions-of-appointment-of-Independent-Directors-Palash>

## 12. 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.

## 13. Board 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 2021, 4 (Four) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the financial year 2020-21 have been furnished in the Corporate Governance Report forming a part of this Annual Report.

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

## 14. Audit Committee

The Audit Committee was constituted on 30th March, 2017. The Committee now comprises Mr. Chhedi Lal Agarwal, Mr. Arun Kumar Newar, Mr. Dinesh Kacholia and Mr. Chand Bihari Patodia. The Company Secretary acts as the Secretary to the Committee and the 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, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

### 15. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted on 30th March, 2017. The Committee now comprises of Mr. Chhedi Lal Agarwal, Mr. Arun Kumar Newar, and Mr. Dinesh Kacholia. 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.

### 16. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on 30th March, 2017. The Committee now comprises of Mr. Chhedi Lal Agarwal, Mr. Arun Kumar Newar, and Mr. Dinesh Kacholia. 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.

### 17. 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 provided in Note of the financial statement.

### 18. 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 as also the Board for approval. The said Policy is available on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Palash/RELATED%20PARTY%20TRANSACTION%20POLICY%20NEW.pdf>

The details of related party transactions are set out in the notes to the financial statements.

### 19. 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.

### 20. 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, 2021, 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.

## 21. Whistle Blower / Vigil Mechanism

The Company has established a vigil mechanism and adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct policy. During the year under review, there has been change in this policy with respect to leak or suspected leak of Unpublished Price Sensitive Information has been incorporated so that whistle blowers can report concerns. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. The brief detail about this mechanism may be accessed on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Whistle-Blower-Policy.pdf>

During the year, the auditors and the secretarial auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014

## 22. Corporate Governance & Annual Return

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2020-21 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 **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 extract of the Annual Return of the Company is attached as **Annexure "F"** to this Report.

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

### Statutory Auditors

Messrs. Agrawal Subodh & Co., Chartered Accountants, (Firm Registration No: 319260E), were appointed as the Statutory Auditors of the Company by the 2nd Annual General Meeting held on 12th September, 2016 to hold office from the conclusion of the 2nd AGM till the conclusion of the 7th AGM, subject to ratification as to the said appointment at every Annual General Meeting from the conclusion of such AGM

Accordingly, their present term gets completed in the ensuing AGM to be held in the current Financial year 2021-22 in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The Audit Committee at its meeting recommended the re-appointment of Messrs. Agrawal Subodh & Co., Chartered Accountants, as the Auditors of the Company for another period of five years from the conclusion of the ensuing 7th AGM till the conclusion of the 12th AGM to be held in the year 2026 subject to the approval of shareholders of the Company

However, since the first provision to Sec 139(1) has been omitted by the Companies Amendment Act, 2017 with effect from 7th May, 2018, the ratification of such appointment at every AGM is not required. Accordingly, Messrs. Agrawal Subodh & Co., Chartered Accountants, if reappointed shall continue as Statutory Auditors till the conclusion of the 12th AGM of the Company.

They have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act

The Notes to the Financial Statements read with the Auditor's Reports are self-explanatory and therefore, do not call for further comments or explanations. There has been no qualification, reservation, adverse remark or disclaimer in the Auditor's Reports.

### 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 2020-21. The Secretarial Audit Report is annexed herewith as **Annexure "E"** which is self-explanatory.

There has been no qualification, reservation, observation, disclaimer or adverse remark in the Secretarial Audit Report of the Company.

In addition to the above, pursuant to new Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 introduced by SEBI on 8 February 2019, every material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, with effect from the year ended 31st March, 2021. Accordingly, the Secretarial Audit Report of the material unlisted subsidiaries of the Company viz-a-viz Allahabad Canning 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.

Further, there has been no qualification, reservation, observation, disclaimer or adverse remark in the Secretarial Audit Report of Allahabad Canning Limited, Champaran Marketing Co Ltd, Hargaon Investment & Trading Co. Ltd and OSM Investment & Trading Co Ltd.

#### 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 Parasrampuria & Co., Chartered Accountants to conduct Internal Audit of the Company for the financial year 2020-21

#### 24. 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, the Company are not applicable to your company.

#### 25. 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.

#### 26. 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 our Company. There was no foreign exchange inflow or outflow during the year under review.

#### 27. Particulars of Employees

There was no employee in the Company who was in receipt of remuneration as required to be disclosed under section 134 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### 28. 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, 2021, 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 the Notes to the Financial Statements have been selected and applied consistently and judgement 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, 2021 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.

#### 29. 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.

#### 30. 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: 12th May, 2021

For and on behalf of the Board

**Shalini Nopany**  
Chairperson  
DIN: 00077299

## Annexure A

### Management & Discussion Analysis

#### Economic Overview

Global prospects remain highly uncertain one year into the pandemic. The COVID pandemic created havoc across the globe as economies implemented lockdowns and economic growth came to a standstill. The global economy is climbing out from the depths to which it had plummeted during the Great Lockdown. But with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. Despite setbacks, an uneven global recovery continues.

While the global growth outlook has improved, led by robust rebound in China and the United States, surging COVID-19 infections and inadequate vaccination progress in many countries threaten a broad-based recovery of the world economy. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. As per International Monetary Fund, the Indian economy would stage a strong recover in the Financial Year 2022.

India has been particularly affected by a brutal second wave, which is overwhelming the public health system in large parts of the country. The second wave of the Covid-19 pandemic has taken a vicious toll on India's health. A major concern of the second wave is that the virus has spread into India's hinterland and could wreak havoc in villages, towns and small cities. Yet growth should accelerate gradually without triggering a rise in inflation or interest rates, despite much higher government debt. The country has expanded vaccine eligibility and is ramping up supply in every possible manner, but access to vaccines is unequal and insufficient to meet the massive demand. Given the fluid situation, India's growth outlook is highly fragile.

#### Industry Structure and Developments

The long-term growth perspective of the Indian economy remains positive due to its young population and corresponding low dependency ratio, healthy savings, and investment rates, increasing globalisation in India and integration into the global economy. The Finance Minister has provided the much-required relief to the pandemic-hit Indian economy with the tax proposals and have endeavored to make India a more attractive destination for investments.

The digitalization of everyday life, the trend toward more flexible work arrangements, the deceleration of globalization, the weakening of multilateralism, the expansion of the state or the vulnerability of cities – all of these developments were already underway prior to the virus outbreak. The current disruption has forced companies (especially midcaps) to rework their business models right from sourcing to manufacturing to distribution. Many smaller companies have adapted and embarked on prudent cost-cutting and reduced debt to clean up balance sheets.

India slipped into a technical recession due to the economic fallout from a lengthy lockdown to slow the spread of the coronavirus outbreak. While corporate earnings are likely to be impacted due to the Covid-triggered lockdown and mobility curbs, it is believed markets are likely to look through this disruption. As consumers emerge from lockdown, excess savings are likely to drop sharply. Resurgent demand for leisure travel and other services will strain the capacity of industries gutted by the pandemic. The deflationary impact of business closures could give way to the potentially inflationary impact of supply shortages.

India's non-bank financial institutions (NBFI) face renewed asset quality and liquidity risks amid a second wave of coronavirus infections. It is believed that authorities have gained experience in balancing the trade-off between tighter restrictions and maintaining economic activity over the past year. Consumers and businesses are also likely to better adapt their economic activity to the second wave of restrictions, as seen in other countries. Regulators appear keenly aware of the credit and liquidity implications of any broad, extended movement curbs, while NBFIs' day-to-day operations are also likely to be able to continue under the latest rules.

Further, the reopening of markets and the availability of vaccinations will eventually spark a new wave of travel and service spending. The budget for the fiscal year from April 2021 to March 2022 also points to a shift towards demand-side stimulus, with an uptick in public investment (particularly in transport infrastructure) for the coming fiscal year.

Trade has normalised faster than the rest of the economy, with both exports and imports scaling pre-pandemic levels. India's gross domestic product growth to rebound in fiscal 2022. But recovery would not be easy, with scars of the pandemic running deep for small businesses and the urban poor; the rural economy has been more resilient versus the urban, and services are lagging manufacturing in recovery.

### Opportunities and Threats.

Your Company being an Investment Company it seeks opportunities in the capital market. Budget 2021 was expected to address a number of concerns to stimulate growth and to put the economy back on a roll. Domestic equity markets saw a broad-based rally during the March quarter. Among market caps small caps and mid cap stocks gained the most. Among market caps small caps and mid cap stocks gained the most. The rising momentum in the vaccination drive further contributes to growth in the economic activities. Corporate earnings growth continues to trend positive. Government's focus on impetus to manufacturing sector and infrastructure thrust cumulatively bodes well for structurally sustainable growth for the economy.

Against this backdrop, and with a view to nurture the recovery, certain additional measures are being announced by the Reserve Bank of India. In response to the COVID-19 shock, the Government and the Reserve Bank of India took several monetary and fiscal policy measures to support vulnerable firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy. Thanks in part to these proactive measures, the economy is expected to rebound - with a strong base effect materializing in FY22 - and growth is expected to stabilize.

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.

Moreover, there is growth in the organised food retail sector and increase in urbanisation. MSME's are playing a vital role in India's food processing chain through various advancements in skills and technology. The online food ordering business in India is witnessing an exponential growth. There is high demand for packaged, healthy and immunity booster snacks. There is a shift in focus from loose to branded packaging and lastly the government's 'Atmanirbhar Bharat' initiative places priority on this sector and offers support through various policies.

Due to the rise in disposable income and emergence of middle class, processed food is finding a lot of demand in the Indian market. Initially, the disruption in supply chain was humungous because of the lockdown and many essential goods could not move freely which further impacted consumption. At the same time, demand for protective equipment and gear spiked and there were significant shortages witnessed in these items which resulted in both hoarding and profiteering. All of this was at the cost of the viability of the food services industry.

There is huge opportunity amid this Covid-19 crisis for Indian food sector. The coming few months is crucial for leveraging to the India's advantages in terms of exports.

However, the management took possible steps to cash in on various opportunities and at times also observed closely which may lead to the erosion of investments.

### 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 Wholly-owned Subsidiaries/Subsidiary. The first three being wholly owned subsidiaries of the Company viz: OSM Investment & Trading Company Limited; Champaran Marketing Company Limited; Hargaon Investment & Trading Company Limited and are registered NBFC with RBI and primarily engaged in investment activities and whereas Hargaon Properties Ltd is a step down subsidiary engaged in investment of properties. And the other Subsidiary Company Allahabad Canning Ltd is engaged in the Food Processing Business thereby producing all types of Canned

Fruits & Vegetables, Jams Jellies, Marmalades, Juices, Tomato Ketchup/Puree/Sauce, Vegetable Sauces, Squashes, Breakfast cereals like cornflakes, choccos, white oats etc.

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.

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 i.e Allahabad Canning Limited. There has been no change during the year under review in the nature of business pursued by the Company.

## 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:

Sl. No.	Particulars	31.03.2021	31.03.2020
(i)	Debtors Turnover	0	0
(ii)	Inventory Turnover	0	0
(iii)	Interest Coverage Ratio	23.89	N.A
(iv)	Current Ratio	27.33	0.75
(v)	Debt Equity Ratio	10.40%	6.71%
(vi)	Operating Profit Margin (%)	86.40%	N.A
(vii)	Net Profit Margin (%)	86.40%	Loss
(j)	details of any change in Return on Net Worth	28.76%	Loss

## Outlook

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The country is experiencing a lopsided economic recovery with some sectors performing better than others. However, the scars of the pandemic are deep, and the economy is likely to witness stress even if there is a V-shaped recovery.

India is struggling with a second wave of the pandemic with more than 3,00,000 daily new coronavirus cases being reported, and hospitals in several states are reeling under a shortage of medical oxygen and beds.

In the domestic economy, the focus must now be on containing the spread of the virus as well as on economic revival - consolidating the gains achieved so far and sustaining the impulses of growth in the new financial year 2021-22. A key aspect of this strategy will be to strengthen the bedrock of macroeconomic stability that has anchored India's revival from the pandemic. This will help stakeholders in taking efficient spending decisions over longer horizons, thereby improving the investment climate. Public investment in key infrastructure sectors is a force multiplier with historically proven ability to revive the broader economy by directly enhancing capital stock and productivity, and by attracting private investment.

The recent surge in COVID-19 infections, however, adds uncertainty to the domestic growth outlook amidst tightening of restrictions by some state governments. In India, we are now better prepared to meet the challenges posed by this resurgence in infections. Fiscal and monetary authorities stand ready to act in a coordinated manner to limit its spillovers to the economy at large and contain its fallout on the ongoing recovery.

## Internal Control Systems and Their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit Committee periodically reviews the efficacy of Internal Financial Control Systems and risk mitigation process. Your Board believes that appropriate procedures, controls and monitoring assessment procedures are in place and considered adequate.



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.

Your Board believes that appropriate procedures, controls and monitoring assessment procedures are in place and considered adequate.

## 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 strengthen its operative staffs as and when need arises.

## 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 changes in Government regulations and tax-regime, economic developments within India and abroad, financial markets, etc. 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 Companies (Accounting Standards) Rules, 2006. 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 Industries, 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').

#### 2. Board of Directors

- 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 (66.67%) are Independent Directors. 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 are Director on the Board of more than 7 listed entities as well as the Managing Director has no other directorship in compliance with Regulation 17A of listing Regulations and 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. Independent Directors do not serve in more than 7 listed companies.
- v. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.
- vi. 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.
- vii. The Independent Directors (IDs) met on 12th November, 2020 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, co-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.

- viii. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company. The Board's current Skills Matrix includes the following attributes

Description of Skills/Expertise/Competencies		Mrs Shalini Nopany	Mr Chand Bihari Patodia	Mr Dinesh Kacholia	Mr Chhedi Lal Agar wal	Mr Arun Kumar Newar	Mr Suresh Kumar Khandelia
Business	Understanding of Company's business dynamics across various geographical markets, industry verticals and regulatory	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 and available at the weblink - <http://www.birla-sugar.com/Assets/Palash/Familiarisation%20Programme%20-%20Disclosure.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:

- For Board Evaluation - degree of fulfillment of key responsibilities; Board culture and dynamics.
- Board Committee Evaluation - effectiveness of meetings; Committee dynamics.
- 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. All the Independent Directors have taken registration online with 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.

### 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 25th June, 2020, 13th August, 2020, 12th November,, 2020 and 10th February, 2021 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships/ Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) of SEBI (LODR) Regulations, 2015 held by them during the year 2020-21 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Public companies (other than PSL)	No. of Chairmanship/ Membership of Board Committees in other Companies (other than PSL)		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	5	-	1	SIL Investments Limited	NED	NIL
Mr Chand Bihari Patodia (DIN- 01389238)	MD	4	Yes	1	-	-	NIL	-	NIL
Mr Dinesh Kacholia (DIN - 07640666)	I/NED	2	Yes	-	-	-	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	4	4	Ganges Securities Limited	ID	NIL
Mr Suresh Kumar Khandelvia (DIN-00373797)	I/NED	2	Yes	3	-	1	NIL	-	NIL

C – Chairperson	I - Independent	NED - Non-executive Director	MD – Managing Director
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**Note:** 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.

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. Accordingly, Mrs Shalini Nopany is liable to retire by rotation and is eligible for re-appointment. Brief particulars of Mrs Shalini Nopany forms part of the Notice convening the 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 includes oversight of 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, if any, related party transactions and 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. It also deals with matters relating to Company's Code of Conduct for Prohibition of Insider Trading framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended and related matters.

Mr. Chhedi Lal Agarwal, Chairman of the Audit Committee attended the Annual General Meeting of the Company 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

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 is 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 invite the Secretarial Auditor to attend the meeting and discuss their report.

4 (Four) meetings of the Audit Committee were held during the year 2020-21 viz. on 25th June, 2020, 13th August, 2020, 12th November, 2020 and 10th February, 2021 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	Chairperson	Independent Director	4
Mr. Dinesh Kacholia	Member	Independent Director	2
Mr. Arun Kumar Newar	Member	Independent Director	4
Mr. Chand Bihari Patodia	Member	Managing Director	4

#### 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.

**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.

**Composition & Meetings:**

The composition of the Stakeholders' Relationship Committee as on 31st March, 2021 is as follows:

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

During the period under review the Committee met five times on 25th June, 2020, 13th August, 2020, 24th August, 2020, 12th November,, 2020 and 10th February, 2021 respectively. The Committee is headed by Mr. Chhedi Lal Agarwal an Independent Director and 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	Chairperson	Independent Director	5
Mr. Dinesh Kacholia	Member	Independent Director	2
Mr. Arun Kumar Newar	Member	Independent Director	5

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 in place a comprehensive Investor Grievance Redressal system prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents as well as by the Company. The shareholders can write to the Company at palashinvestors@birla-sugar.com on a day to day basis.

During the financial year ended 31st March, 2021, the Company received no complaint was received under SEBI Complaints Redress System (SCORES) as on 31st March, 2021 and no complaints were pending as on 31st March, 2021.



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:

- i. 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;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. 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 - Chairperson
- ii. Mr. Dinesh Kacholia
- iii. Mr. Chhedi Lal Agarwal

During the period under review the Committee met once on 25th June, 2020

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

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

### iv. 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 the weblink <http://www.birla-sugar.com/Assets/Palash/PALASH-REMUNERTION-POLICY.pdf>

The 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. As per the Remuneration Policy, a person proposed to be appointed as Director, KMP or other 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 Remuneration 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 2020-21 is as below:

The Company pays a sitting fee of Rs. 5,000/- and Rs. 2,500/- per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively. The total amount of sitting fees paid to following Directors during the year under review is as follows:

Sl. No.	Name of the Director	Amount (₹)
1	Mrs Shalini Nopany	20,000/-
2	Mr. Chhedi Lal Agarwal	45,000/-
3	Mr. Arun Kumar Newar	45,000/-
4	Mr. Dinesh Kacholia	22,500/-
6	Mr Suresh Kumar Khandelua	10,000/-

The Non-Executive Directors may be paid remuneration by way of commission besides sitting fees, if approved by the Board, on the net profit of the Company at the rate not exceeding 1% of the net profit of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013.

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. Subsidiary Companies

As on 31st March, 2021 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 being disclosed on the Company's website at the weblink <http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>

## 8. 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. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Similarly, there were no transaction with person or entity belonging to Promoter/ Promoter Group which holds 10% or more shareholding in the Company. Suitable disclosure has been made in the notes to 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 and has been uploaded on the Company's website at the web-link <http://www.birla-sugar.com/Assets/Palash/Policy%20on%20Related%20Party%20Transaction-2.pdf>

## 9. Vigil Mechanism / Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility and accordingly has formulated Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is meted out to any person for a genuinely raised concern. The said policy has updated with recent amendments w.r.t. Unpublished Price Sensitive Information as mandated by SEBI laws and has been uploaded on the Company's website at <http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Whistle-Blower-Policy.pdf>

## 10. 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 in its endeavour to provide a safe and healthy work environment for all its employees 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. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the financial year 2020-21, the Company has not received any complaint on sexual harassment from any of the women employees of the Company, neither there were any pending complaints which were disposed off nor there were any complaints pending as on the end of the FY 2020-21. There has been no such case pending during the year under review.

## 11. 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
2019-20	24.09.2020	11.00 am	Through Video Conferencing (VC) Or Other Audio Visual Means (OAVM) pursuant to the MCA Circular dated May 5, 2020
2018-19	02.09.2019	10.00 a.m.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2017-18	24.09.2018	10.30 a.m.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121

The last Annual General Meeting was held on 24.09.2020, which was chaired by Mrs Shalini Nopany

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

1. Reappointment of Mr. Chand Bihari Patodia as the Managing Director of the Company in the Annual General Meeting held on 24th September, 2020

No Special Resolution was passed last year through postal ballot. Further no special resolution to be conducted through postal ballot.

## 12. 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 60 days from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in English and Hindi in Lukhnow, Kolkata and Mumbai edition.
- The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.
- The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website [www.birla-sugar.com](http://www.birla-sugar.com) and can be downloaded.
- The Company also displays official press releases as and when released on the above website.
- Email id earmarked for redressing Investor queries is [palashinvestors@birla-sugar.com](mailto:palashinvestors@birla-sugar.com).

## 13. General Shareholders' Information

### i. 7th Annual General Meeting

Day : Wednesday

Date : 25th August, 2021

Time : 11.00 AM

Venue : Through Video Conferencing (VC) Or Other Audio Visual Means (OAVM) pursuant to the MCA Circular dated May 5, 2020 and 13 January, 2021 and deemed venue shall be Registurd office of the Company at P.O. Hargaon, Dist. Sitapur Uttar Pradesh 261 121

**ii Tentative Financial Calendar for the year 2021-22**

Approval of Audited Annual Results (2020-21)	12th May, 2021
First Quarter Results	On or before 14th August, 2021
Second Quarter Results	On or before 14th November, 2021
Third Quarter Results	On or before 14th January, 2022
Audited Annual Results (2021-22)	On or before 30th May, 2022

**iii. Book Closure**

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 19th August, 2021 to Wednesday, 25th August, 2021 (both day inclusive)

**iv. Dividend Payment Date**

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

**v. Listing on Stock Exchanges and Stock Codes**

The names of 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/ Scrip Code	ISIN Number for NSDL/ CDSL (Dematerialised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	540648	INE471W01019
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	PALASHSECU	

Listing fees for the FY 2021-22 have been paid to the above Stock Exchanges.

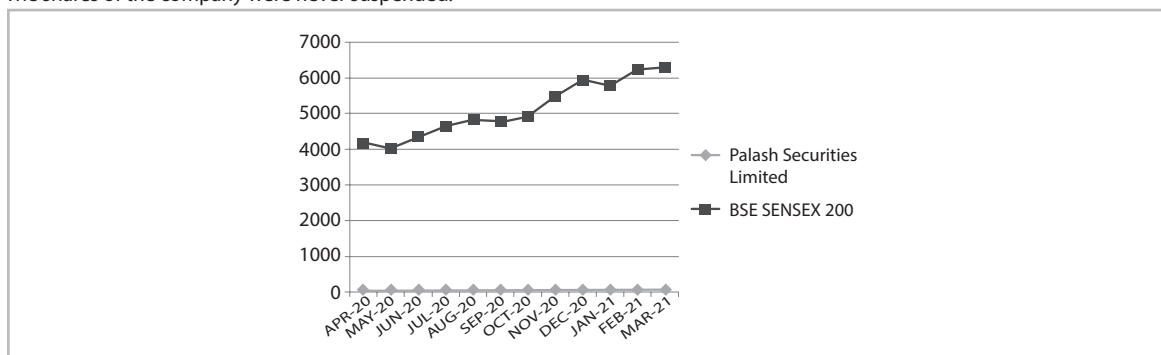
**vi. Market Price data**

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

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April, 2020	21.85	16.60	22.8	17.10
May, 2020	20.05	18.95	21.00	18.05
June, 2020	28.95	18.25	29.55	19.40
July, 2020	30.85	24.50	28.85	23.55
August, 2020	30.35	24.45	31.30	26.10
September, 2020	35.50	29.90	35.85	28.35
October, 2020	35.45	29.30	35.35	29.00
November, 2020	30.45	26.00	38.45	27.10
December, 2020	43.00	31.95	45.50	34.50
January, 2021	46.05	37.25	46.45	39.80
February, 2021	49.25	39.05	49.45	38.65
March, 2021	61.70	42.95	61.80	42.80

## vii. Performance of Company's Equity Shares in comparison to BSE 200

The shares of the company were never suspended.



## viii. Registrar & Share Transfer Agent

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (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

## ix. Share Transfer System

The Board of Directors have authorised the Secretary to approve transfer/transmission of upto 1,000 shares. After the requests for transfer/transmission of above 1000 shares in physical form shall be approved by the Stakeholders' Relationship Committee and sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders. During the financial year 252 Equity Shares were transferred / transmitted.

## x. Distribution of Shareholding

### a. Equity Share Capital History

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

Date of Allotment	No. of share	Issue Price (₹ per share)
30.03.2017	10003102	10

### b. The Distribution of Shareholding as on 31st March, 2021 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -500	7966	92.8438	590299	5.9012
501 - 1000	253	2.9487	186049	1.8599
1001 – 2000	162	1.8881	231852	2.3178
2001 – 3000	53	0.6177	134837	1.3480
3001 – 4000	32	0.3730	113055	1.1302
4001 – 5000	17	0.1981	74927	0.7490
5001 – 10000	35	0.4079	258116	2.5804
100001 and above	62	0.7226	8413967	84.1136
<b>Total</b>	<b>8580</b>	<b>100.0000</b>	<b>10003102</b>	<b>100.0000</b>

**c. Detail of Shareholding pattern of the Company as on 31st March, 2021 was as follows:**

Category	No. of Shares held	% of Shareholding
Promoters	6708255	67.06
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	307419	3.07
Bodies Corporate	599875	6.00
Societies	20500	0.20
Indian Public	2315924	23.15
NRIs / OCBs / FII / Foreign Nationals/Clearing Members	51129	0.51
<b>Total</b>	<b>10003102</b>	<b>100</b>

**xi. 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. 9940040 Equity Shares viz. 99.37% of Company have already been dematerialized.

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

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

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

Not Applicable

**xiv. Address for Correspondence:**

The Company Secretary	Link Intime India Pvt. Ltd.
Palash Securities Limited	Unit : Palash Securities Limited
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

**xv. 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.

#### 14. Transfer of shares in Unclaimed Suspense Account

Pursuant to Regulation 39 of the Listing Regulations, the Company has issued three reminders for the unclaimed equity shares which were issued in physical form. 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:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2020	-	-
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2020-21	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2020-21	-	-
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2021 §	412	18041

§ The Company is in the process of transferring the equity shares into one folio in the name of Unclaimed Suspense Account and dematerialisation of these shares thereafter

The voting rights on the shares outstanding in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

#### 15. 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, 2021, 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.

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

The details of Director retiring by rotation and seeking re-appointment given in the Annexure to the Notice, under the head Particulars of Directors seeking appointment/re-appointment at the Annual General Meeting.

#### 17. 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. The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at <http://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. The Company Secretary is responsible for implementation of the Code. All Board Directors and the designated persons have confirmed compliance with the Code.

#### 18. Code of Conduct

The Company has also adopted a Code of Conduct (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at <http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.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.



## 19. 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.

## 20. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified practising Company Secretary carries 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.

## 21. 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.

## 22. 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 31st March, 2021 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 Exchange within stipulated time and was uploaded on company's website [www.birlasugar.com](http://www.birlasugar.com)

## 23. 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. 29 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 has been denied access to the Audit Committee.
- iv. The Company has complied with all the applicable mandatory requirements.

- v. In the preparation of the financial statements, the Company has followed Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013, as amended. 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. 23 to the Standalone Financial Statements and Note No. 33 to the Consolidated Financial Statements
- vii. 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.
- viii. 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 2020-21.
- ix. As required under Part C of Schedule V the Listing Regulations, certificate dated May 9, 2019 obtained from M/s. A.K. Labh & Co, Practicing 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.

## 24. Discretionary Requirements

- i. Chairperson's Office : Chairpersons office is mentioned by the Company and expenses towards performance of the Chairperson's duties are borne by the Company / reimbursed to her.
- 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.
- iii. The Annual Report of the Company for the financial year 2020-21 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.

- iv. Modified opinion(s) in audit report: Company may move towards a regime of unmodified financial statements
- v. It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on 31st March, 2021
- vi. Separate posts of Chairperson and CEO: The Company has appointed separate persons to the post of Chairperson and Managing Director/CEO.
- vii. The positions of Chairperson and Managing Director are separate.
- viii. Reporting of Internal Auditor: The Internal Auditor may report directly 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.

## 25. Web links to Company policies and programmes

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

- i. Related Party Transaction Policies**  
<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Related-Party-Transaction-Policy.pdf>
- ii. Policy for determining Material Subsidiaries**  
<http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>
- iii. Code of Conduct**  
<http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>
- iv. Policy on Determination of Materiality**  
<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Policy-on-Determination-of-Materiality.pdf>
- v. Policy on preservation of documents including archival**  
<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Policy-on-preservation-of-documents-including-archival.pdf>
- vi. Whistle Blower Policy**  
<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Whistle-Blower-Policy.pdf>
- vii. Familiarisation Programme**  
<http://www.birla-sugar.com/Assets/Palash/FAMILARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf>

## 26. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) 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) 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) 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, 2021 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 of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Atul Kumar Labh**

Membership No. : FCS 4848

CP No. : 3238

PRCN : 1038/2020

UIN : S1999WB026800

UDIN : F004848C000285898

Date: 12.05.2021

Place: Kolkata

## 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 2020-21.

Place: Kolkata  
Date: 12th May, 2021

**Chand Bihari Patodia**  
Managing Director

## 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, 2021 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, 2021

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 Registration No: 319260E

**Chetan Kumar Nathani**  
Partner  
Membership No. 310904  
UDIN: 21310904AAAAAY9386

Place: Kolkata  
Date: 12th May, 2021

## Annexure E

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

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

To,  
The Members,  
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 'the Company'] for the financial year ended 31st March, 2021 ['Audit Period']. 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 as provided in **Annexure I** 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, 2021 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, papers, minute books, forms and returns filed and other records as maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 (the "Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 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 Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, to the extent applicable:-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
6. 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 RBI Guidelines. However, the Company was not required to get registered with 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.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above subject to the following observations:

#### Management and Auditor Responsibility:

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;



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. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same has taken place with very limited physical access in view of the prevailing lockdown due to the outbreak of COVID-19.
4. 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, though we have relied to a certain extent on the information furnished in such returns.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
6. 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;
7. 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.
8. 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.
9. 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 further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee 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', if any, views 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 specific event/action that can have a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata  
Date: 12.05.2021

For **M/s Vinod Kothari & Company**  
Company Secretaries in Practice

**Barsha Dikshit**  
Partner  
Membership No: A48152  
CP No.: 18060  
UDIN: A048152C000282705

## ANNEXURE - A1

### List of Documents

1. Minutes of the following meetings
  - a. Board Meeting;
  - b. Audit Committee;
  - c. Nomination and Remuneration Committee;
  - d. Stakeholders Relationship Committee;
  - e. General meeting;
2. Annual Report 2019-20;
3. Notice and Agenda for Board and Committee Meeting
4. Memorandum and Articles of Association;
5. Disclosures under Act, 2013 on sample basis and those under Listing Regulations;
6. Policies framed under Act, 2013 and Listing Regulations;
7. Forms and returns filed with the ROC, RBI (under FEMA);
8. Compliance Report obtained by the Company from Internal Auditor for ascertaining the compliance with the specific laws;
9. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015 made to stock exchange, on sample basis;
10. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 made to stock exchange

## Annexure E1

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,  
The Members,  
**Allahabad Canning 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 **ALLAHABAD CANNING LIMITED** (CIN: U15122UP2015PLC069645) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided is 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, 2021, 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, 1996 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, 2009;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
  - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
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;
  - c. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - d. all other Labour, Employee and Trade Laws to the extent applicable to the Company.
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. My responsibility is to express an opinion on these secretarial records based on my 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.  
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 undertaken any event/actions having a major bearing on the Company's affairs in pursuance to the applicable referred laws, regulations, rules, guidelines etc., except the followings:

- i) The Shareholders of the Company have approved the appointment of Mr. Suresh Kumar Khandelwa (DIN 00373797) as a Director of the Company vide Ordinary Resolution dated 21st September, 2020.
- ii) The Shareholders of the Company have approved the appointment of Mr. Venugopal Chetlur (DIN 08686707) as a Director of the Company vide Ordinary Resolution dated 21st September, 2020.
- iii) The Shareholders of the Company have approved the appointment of Mr. Venugopal Chetlur (DIN 08686707) as the Wholetime Director of the Company for a period of three years with effect from 7th February, 2020 vide Ordinary Resolution dated 21st September, 2020.
- iv) The shareholders of the Company have approved the increase in the borrowing limits of the Company pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, not exceeding Rs. 100 Crores
- v) The shareholders of the Company have approved the creation of charge on the assets of the company to secure borrowings of upto Rs. 100 Crores pursuant to section 180(1)(a) of the Companies Act, 2013.

Place: Kolkata  
Date: 07.05.2021

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

**Arun Kumar Maitra**  
Partner  
ACS: 3010  
C.P. No.: 14490  
UDIN No: A003010C000254734

## **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 (2019-20);
  - 1.3 Agenda for Board Meeting along with Notice;
  - 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, 2021**  
[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 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, 2021, 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, 1996 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, 2009;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
  - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  - a. Reserve Bank of India Act, 1934;
  - b. Master Direction - Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016;
  - c. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
  - d. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
  - e. Master Direction - Know Your Customer (KYC) Direction, 2016;
  - f. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
  - g. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
  - h. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - i. all other Labour, Employee and Trade Laws to the extent applicable to the Company.

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 record 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. My examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**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.**  
Practising Company Secretary

**Arun Kumar Maitra**  
Partner  
ACS: 3010  
C.P. No.: 14490  
UDIN No: A003010C000259398

Place: Kolkata  
Date: 08.05.2021

## 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 (2019-20);
  - 1.3 Memorandum and Articles of Association;
  - 1.4 Disclosures under the Act, 2013 ;
  - 1.5 Policies framed under the Act, 2013;
  - 1.6 Forms and returns filed with the ROC and RBI;
  - 1.7 Registers maintained under Act, 2013;

## Annexure E3

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 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, 2021, 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, 1996 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, 2009;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
  - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  - a. Reserve Bank of India Act, 1934;
  - b. Master Direction - Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016;
  - c. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
  - d. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
  - e. Master Direction - Know Your Customer (KYC) Direction, 2016;
  - f. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
  - g. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
  - h. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - i. all other Labour, Employee and Trade Laws to the extent applicable to the Company.
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. I 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. 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. My examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**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.**  
Practising Company Secretary

**Arun Kumar Maitra**  
Partner  
ACS: 3010  
C.P. No.: 14490  
UDIN No: A003010C000259409

Place: Kolkata  
Date: 08.05.2021

**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 (2019-20);
  - 1.3 Memorandum and Articles of Association;
  - 1.4 Disclosures under the Act, 2013;
  - 1.5 Policies framed under the Act, 2013;
  - 1.6 Forms and returns filed with the ROC and RBI;
  - 1.7 Registers maintained under Act, 2013;

## Annexure E4

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

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 COLTD.** (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 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, 2021, 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, 1996 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, 2009;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
  - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  - a. Reserve Bank of India Act, 1934;
  - b. Master Direction - Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016;
  - c. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
  - d. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
  - e. Master Direction - Know Your Customer (KYC) Direction, 2016;
  - f. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
  - g. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
  - h. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - i. all other Labour, Employee and Trade Laws to the extent applicable to the Company.

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. 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. My examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**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.**  
Practising Company Secretary

**Arun Kumar Maitra**  
Partner

ACS: 3010

C.P. No.: 14490

UDIN No: A003010C000259519

Place: Kolkata  
Date: 08.05.2021

## 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 (2019-20);
  - 1.3 Memorandum and Articles of Association;
  - 1.4 Disclosures under the Act, 2013 ;
  - 1.5 Policies framed under the Act, 2013;
  - 1.6 Forms and returns filed with the ROC and RBI;
  - 1.7 Registers maintained under Act, 2013;

## Annexure – F

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and Other Details

CIN	L74120UP2015PLC069675
Registration Date	23-03-2015
Name of the Company	<b>PALASH SECURITIES LIMITED</b>
Category / Sub-Category of the Company	Company limited by shares, Indian Non-Government Company
Address of the Registered office and contact details	P.O. Hargaon, Dist – Sitapur, Uttar Pradesh – 261 121 Tel No : 05862 256 220
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 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 India e-mail: kolkata@linkintime.co.in

### II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other financial service activities, except in insurance and pension funding activities	649	89.44
2.	Real Estate Activities	681	10.56

### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Hargaon Investment & Trading Co. Ltd.	U67120WB1986PLC041679	Subsidiary	100%	2(87)
2.	Champaran Marketing Co. Ltd.	U15424WB1951PLC019451	Subsidiary	100%	2(87)
3.	OSM Investment & Trading Co. Ltd.	U67120WB1986PLC041677	Subsidiary	100%	2(87)
4.	Hargaon Properties Limited	U70101WB2003PLC097280	Subsidiary	100%	2(87)
5.	Allahabad Canning Limited	U15122UP2015PLC069645	Subsidiary	90.09%	2(87)

#### IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

##### i) Category-wise Shareholding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2020				Shareholding at the end of the year - 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	32635	0	32635	0.3262	32635	0	32635	0.3262	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Promoter Trust	268	0	268	0.0027	268	0	268	0.0027	0.0000
	Bodies Corporate	6500740	0	6500740	64.9872	6675352	0	6675352	66.7328	1.7456
	<b>Sub Total (A)(1)</b>	<b>6533643</b>	<b>0</b>	<b>6533643</b>	<b>65.3162</b>	<b>6708255</b>	<b>0</b>	<b>6708255</b>	<b>67.0617</b>	<b>1.7455</b>
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>6533643</b>	<b>0</b>	<b>6533643</b>	<b>65.3162</b>	<b>6708255</b>	<b>0</b>	<b>6708255</b>	<b>67.0617</b>	<b>1.7455</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	1293	1293	0.0129	0	1293	1293	0.0129	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	244	244	0.0024	0	244	244	0.0024	0.0000
(g)	Insurance Companies	367109	4	367113	3.6700	305878	4	305882	3.0579	-0.6121
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>367109</b>	<b>1541</b>	<b>368650</b>	<b>3.6854</b>	<b>305878</b>	<b>1541</b>	<b>307419</b>	<b>3.0732</b>	<b>-0.6122</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>

**IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) (Contd.)**
**i) Category-wise Shareholding (Contd.)**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2020				Shareholding at the end of the year - 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>[3]</b>	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1412530	61199	1473729	14.7327	1277536	60491	1338027	13.3761	-1.3566
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1015454	0	1015454	10.1514	977897	0	977897	9.7759	-0.3755
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	20500	0	20500	0.2049	20500	0	20500	0.2049	0.0000
	Foreign Nationals	0	252	252	0.0025	0	0	0	0.0000	-0.0025
	Hindu Undivided Family	125808	1	125809	1.2577	111246	1	111247	1.1121	-0.1456
	Non Resident Indians (Non Repat)	8797	0	8797	0.0879	8348	0	8348	0.0835	-0.0044
	Non Resident Indians (Repat)	57119	0	57119	0.5710	32054	0	32054	0.3204	-0.2506
	Clearing Member	8117	1	8118	0.0812	10726	1	10727	0.1072	0.0260
	Bodies Corporate	389925	1106	391031	3.9091	487600	1028	488628	4.8848	0.9757
	<b>Sub Total (B)(3)</b>	<b>3038250</b>	<b>62559</b>	<b>3100809</b>	<b>30.9985</b>	<b>2925907</b>	<b>61521</b>	<b>2987428</b>	<b>29.8650</b>	<b>-1.1335</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>3405359</b>	<b>64100</b>	<b>3469459</b>	<b>34.6838</b>	<b>3231785</b>	<b>63062</b>	<b>3294847</b>	<b>32.9383</b>	<b>-1.7455</b>
	<b>Total (A)+(B)</b>	<b>9939002</b>	<b>64100</b>	<b>10003102</b>	<b>100.0000</b>	<b>9940040</b>	<b>63062</b>	<b>10003102</b>	<b>100.0000</b>	<b>0.0000</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total (A)+(B)+(C)</b>	<b>9939002</b>	<b>64100</b>	<b>10003102</b>	<b>100.0000</b>	<b>9940040</b>	<b>63062</b>	<b>10003102</b>	<b>100.0000</b>	

#### IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) (Contd.)

##### ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2020			Shareholding at the end of the year - 2021			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	UTTAR PRADESH TRADING CO. LTD	1283234	12.8284	0.0000	1283234	12.8284	0.0000	0.0000
2	SCM INVESTMENT & TRADING CO. LTD.	1078958	10.7862	0.0000	1078958	10.7862	0.0000	0.0000
3	NEW INDIA RETAILING AND INVESTMENT LTD	1071532	10.7120	0.0000	1071532	10.7120	0.0000	0.0000
4	RTM INVESTMENT AND TRADING CO. LTD.	904951	9.0467	0.0000	904951	9.0467	0.0000	0.0000
5	DEEPSHIKHA TRADING CO PVT LTD	664129	6.6392	0.0000	688741	6.8853	0.0000	0.2461
6	RONSON TRADERS LIMITED	460268	4.6013	0.0000	485268	4.8512	0.0000	0.2499
7	SONALI COMMERCIAL LTD.	387658	3.8754	0.0000	512658	5.1250	0.0000	1.2496
8	SIDH ENTERPRISES LTD.	306658	3.0656	0.0000	306658	3.0656	0.0000	0.0000
9	YASHOVARDHAN INVESTMENT & TRADING CO. LTD.	200161	2.0010	0.0000	200161	2.0010	0.0000	0.0000
10	UTTAM COMMERCIAL LTD.	117643	1.1761	0.0000	117643	1.1761	0.0000	0.0000
11	CHANDRA SHEKHAR NOPANY	28468	0.2846	0.0000	28468	0.2846	0.0000	0.0000
12	RAJPUR FARMS LIMITED	15315	0.1531	0.0000	15315	0.1531	0.0000	0.0000
13	NARKATIAGANJ FARMS LIMITED	9756	0.0975	0.0000	9756	0.0975	0.0000	0.0000
14	NANDINI NOPANY	4167	0.0417	0.0000	4167	0.0417	0.0000	0.0000
15	THE OUDH TRADING CO. (P) LTD.	477	0.0048	0.0000	477	0.0048	0.0000	0.0000
16	CHANDRA SHEKHAR NOPANY	258	0.0026	0.0000	258	0.0026	0.0000	0.0000
17	CHANDRA SHEKHAR NOPANY	10	0.0001	0.0000	10	0.0001	0.0000	0.0000
	<b>Total</b>	<b>6533643</b>	<b>65.3162</b>	<b>0.0000</b>	<b>6708255</b>	<b>67.0617</b>	<b>0.0000</b>	<b>1.7455</b>

##### iii) Change in Promoters' Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions During The Year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	UTTAR PRADESH TRADING CO. LTD.	1283234	12.8284			1283234	12.8284
	AT THE END OF THE YEAR					1283234	12.8284
2	SCM INVESTMENT & TRADING CO. LTD.	1078958	10.7862			1078958	10.7862
	AT THE END OF THE YEAR					1078958	10.7862
3	NEW INDIA RETAILING AND INVESTMENT LTD.	1071532	10.7120			1071532	10.7120
	AT THE END OF THE YEAR					1071532	10.7120
4	RTM INVESTMENT AND TRADING CO. LTD.	904951	9.0467			904951	9.0467
	AT THE END OF THE YEAR					904951	9.0467



**IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) (Contd.)**
**iii) Change in Promoters' Shareholding (Contd.)**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions During The Year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
5	<b>DEEPSHIKHA TRADING CO PVT. LTD.</b>	664129	6.6392			664129	6.6392
	Transfer			05 Mar 2021	23423	687552	6.8734
	Transfer			12 Mar 2021	1189	688741	6.8853
	AT THE END OF THE YEAR					688741	6.8853
6	<b>SONALI COMMERCIAL LTD.</b>	387658	3.8754			387658	3.8754
	Transfer			20 Nov 2020	3937	391595	3.9147
	Transfer			27 Nov 2020	52	391647	3.9153
	Transfer			11 Dec 2020	2020	393667	3.9354
	Transfer			18 Dec 2020	8036	401703	4.0158
	Transfer			26 Feb 2021	68202	469905	4.6976
	Transfer			05 Mar 2021	42753	512658	5.1250
	AT THE END OF THE YEAR					512658	5.1250
7	<b>RONSON TRADERS LIMITED</b>	460268	4.6013			460268	4.6013
	Transfer			28 Aug 2020	5145	465413	4.6527
	Transfer			04 Sep 2020	6692	472105	4.7196
	Transfer			11 Sep 2020	7567	479672	4.7952
	Transfer			18 Sep 2020	3088	482760	4.8261
	Transfer			25 Sep 2020	2508	485268	4.8512
	AT THE END OF THE YEAR					485268	4.8512
8	<b>SIDH ENTERPRISES LTD.</b>	306658	3.0656			306658	3.0656
	AT THE END OF THE YEAR					306658	3.0656
9	<b>YASHOVARDHAN INVESTMENT &amp; TRADING CO. LTD.</b>	200161	2.0010			200161	2.0010
	AT THE END OF THE YEAR					200161	2.0010
10	<b>UTTAM COMMERCIAL LTD.</b>	117643	1.1761			117643	1.1761
	AT THE END OF THE YEAR					117643	1.1761
11	<b>CHANDRA SHEKHAR NOPANY</b>	28468	0.2846			28468	0.2846
	AT THE END OF THE YEAR					28468	0.2846
12	<b>RAJPUR FARMS LIMITED</b>	15315	0.1531			15315	0.1531
	AT THE END OF THE YEAR					15315	0.1531
13	<b>NARKATIAGANJ FARMS LIMITED</b>	9756	0.0975			9756	0.0975
	AT THE END OF THE YEAR					9756	0.0975
14	<b>NANDINI NOPANY</b>	4167	0.0417			4167	0.0417
	AT THE END OF THE YEAR					4167	0.0417
15	<b>THE OUDH TRADING CO. (P) LTD.</b>	477	0.0048			477	0.0048
	AT THE END OF THE YEAR					477	0.0048
16	<b>CHANDRA SHEKHAR NOPANY #</b>	258	0.0026			258	0.0026
	AT THE END OF THE YEAR					258	0.0026
17	<b>CHANDRA SHEKHAR NOPANY ##</b>	10	0.0001			10	0.0001
	AT THE END OF THE YEAR					10	0.0001

# As Trustee of Shruti Family Trust

## As Trustee of Shekhar Family Trust

#### IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) (Contd.)

##### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions During The Year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	<b>LIFE INSURANCE CORPORATION OF INDIA</b>	290417	2.9033			290417	2.9033
	Transfer			19 Feb 2021	(1307)	289110	2.8902
	Transfer			26 Feb 2021	(4000)	285110	2.8502
	Transfer			05 Mar 2021	(10000)	275110	2.7502
	Transfer			12 Mar 2021	(35009)	240101	2.4003
	Transfer			19 Mar 2021	(915)	239186	2.3911
	Transfer			26 Mar 2021	(10000)	229186	2.2911
	AT THE END OF THE YEAR					229186	2.2911
2	<b>ZAKI ABBAS NASSER</b>	10277	0.1027			10277	0.1027
	Transfer			12 Mar 2021	149723	160000	1.5995
	Transfer			19 Mar 2021	5000	165000	1.6495
	AT THE END OF THE YEAR					165000	1.6495
3	<b>RAVIRAJ DEVELOPERS LTD</b>	0	0.0000			0	0.0000
	Transfer			10 Jul 2020	66447	66447	0.6643
	Transfer			17 Jul 2020	5596	72043	0.7202
	Transfer			04 Sep 2020	1962	74005	0.7398
	Transfer			18 Sep 2020	3002	77007	0.7698
	Transfer			25 Dec 2020	6000	83007	0.8298
	Transfer			19 Feb 2021	13600	96607	0.9658
	AT THE END OF THE YEAR					96607	0.9658
4	<b>THE HINDUSTAN TIMES LIMITED</b>	0	0.0000			0	0.0000
	Transfer			31 Dec 2020	95984	95984	0.9595
	AT THE END OF THE YEAR					95984	0.9595
5	<b>RAKESH KUMAR JAIN</b>	80000	0.7998			80000	0.7998
	Transfer			10 Apr 2020	31	80031	0.8001
	AT THE END OF THE YEAR					80031	0.8001
6	<b>THE NEW INDIA ASSURANCE COMPANY LIMITED</b>	71616	0.7159			71616	0.7159
	AT THE END OF THE YEAR					71616	0.7159
7	<b>NARASIMHA SWAMY YALAMANCHILI</b>	69279	0.6926			69279	0.6926
	AT THE END OF THE YEAR					69279	0.6926
8	<b>ATUL J SHAH</b>	61000	0.6098			61000	0.6098
	AT THE END OF THE YEAR					61000	0.6098
9	<b>NISHA AJAY PATIL</b>	48117	0.4810			48117	0.4810
	AT THE END OF THE YEAR					48117	0.4810
10	<b>BODEPUDI JEEVAN KISHORE</b>	46000	0.4599			46000	0.4599
	AT THE END OF THE YEAR					46000	0.4599
11	<b>SSD SECURITIES PRIVATE LIMITED</b>	50000	0.4998			50000	0.4998
	Transfer			12 Mar 2021	(20000)	30000	0.2999
	AT THE END OF THE YEAR					30000	0.2999
12	<b>AJAYKUMAR BHASKAR PATIL</b>	70000	0.6998			70000	0.6998
	Transfer			12 Mar 2021	(55148)	14852	0.1485
	AT THE END OF THE YEAR					14852	0.1485
13	<b>PORINJU V VELIYATH</b>	100949	1.0092			100949	1.0092
	Transfer			24 Apr 2020	(27808)	73141	0.7312
	Transfer			01 May 2020	(33411)	39730	0.3972
	Transfer			08 May 2020	(1133)	38597	0.3859
	Transfer			15 May 2020	(36084)	2513	0.0251
	Transfer			22 May 2020	(2513)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

**IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) (Contd.)**
**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions During The Year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
14	EARTHSTONE HOLDING (TWO) PRIVATE LIMITED	95984	0.9595			95984	0.9595
	Transfer			25 Dec 2020	(95984)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
15	G SHANKAR	72200	0.7218			72200	0.7218
	Transfer			24 Apr 2020	800	73000	0.7298
	Transfer			01 May 2020	500	73500	0.7348
	Transfer			15 May 2020	1500	75000	0.7498
	Transfer			05 Jun 2020	150	75150	0.7513
	Transfer			12 Jun 2020	50	75200	0.7518
	Transfer			30 Jun 2020	250	75450	0.7543
	Transfer			24 Jul 2020	100	75550	0.7553
	Transfer			21 Aug 2020	1450	77000	0.7698
	Transfer			25 Sep 2020	1000	78000	0.7798
	Transfer			13 Nov 2020	173	78173	0.7815
	Transfer			20 Nov 2020	5927	84100	0.8407
	Transfer			04 Dec 2020	4720	88820	0.8879
	Transfer			11 Dec 2020	8219	97039	0.9701
	Transfer			18 Dec 2020	(389)	96650	0.9662
	Transfer			08 Jan 2021	5124	101774	1.0174
	Transfer			15 Jan 2021	99	101873	1.0184
	Transfer			22 Jan 2021	5190	107063	1.0703
	Transfer			29 Jan 2021	120	107183	1.0715
	Transfer			05 Feb 2021	9371	116554	1.1652
	Transfer			12 Feb 2021	(21461)	95093	0.9506
	Transfer			19 Feb 2021	(510)	94583	0.9455
	Transfer			26 Feb 2021	(70194)	24389	0.2438
	Transfer			05 Mar 2021	(24389)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

**v) Shareholding of Directors and Key Managerial Personnel:**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mrs. Shalini Nopany, Chairperson &amp; Non-Executive Director</b>				
At the beginning of the year	-	-	-	-
Changes during the year	-	-	-	-
At the end of the year	-	-	-	-

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mr. Chand Bihari Patodia, Managing Director</b>				
At the beginning of the year	-	-	-	-
Changes during the year	-	-	-	-
At the end of the year	-	-	-	-

#### IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) (Contd.)

##### v) Shareholding of Directors and Key Managerial Personnel: (Contd.)

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mr. Deepak Kumar Sharma, Chief Financial Officer</b>				
At the beginning of the year	-	-	-	-
Changes during the year	-	-	-	-
At the end of the year	-	-	-	-

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Ms. Mayuri Raja, Company Secretary</b>				
At the beginning of the year	-	-	-	-
Changes during the year	-	-	-	-
At the end of the year	-	-	-	-

#### V. Indebtedness

##### Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. Remuneration of Directors and Key Managerial Personnel**
**A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(In ₹)

SI No.	Particulars of Remuneration	Mr. Chand Bihari Patodia Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Options		
3	Sweat Equity		
4	Commission		
	- As % of profit		
	- As others specify		
5	Others please specify		
	<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>

**B) Remuneration to other Directors:**
**1. Independent Directors**

(In ₹)

SI No.	Particulars of Remuneration	Name of Director				Total Amount
		Mr. Chhedi Lal Agarwal	Mr. Arun Kumar Newar	Mr. Dinesh Kacholia	Mr Suresh Kumar Khandelia	
	Fee for attending Board/Committee Meetings	45000	45000	22500	10000	122500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total B (1)</b>	<b>45000</b>	<b>45000</b>	<b>22500</b>	<b>10000</b>	<b>122500</b>

**2. Other Non-Executive Directors**

(In ₹)

SI No.	Particulars of Remuneration	Mrs. Shalini Nopany	Total Amount
	Fee for attending Board/Committee Meetings	20000	20000
	Commission	-	-
	Others, please specify	-	-
	<b>Total B (2)</b>	<b>20000</b>	<b>20000</b>
	<b>Total (B) = (B)(1)+(B)(2)</b>	<b>142500</b>	<b>142500</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)

Sl No.	Particulars of Remuneration	Mr Deepak Kumar Sharma, Chief Financial Officer	Mrs Mayuri Raja, Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- As % of profit			
	- As others specify			
5	Others please specify			
	<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
			None		
<b>B. Directors</b>					
			None		
<b>C. Other officers in default</b>					
			None		

## 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

Sl. No.	1	2	3	4	5
<b>Name of the subsidiary</b>	<b>Allahabad Canning Limited</b>	<b>Hargaon Investment &amp; Trading Co Ltd</b>	<b>OSM Investment &amp; Trading Co Ltd</b>	<b>Champaran Marketing Co Ltd</b>	<b>Hargaon Properties Limited#</b>
Financial Year ending on	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021
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	1219.29	304.57	174.04	108.73	49.99
Other Equity	2813.14	13404.28	5998.34	4547.13	(3.07)
Total assets	7590.68	13715.77	6173.35	4663.61	48.03
Total Liabilities	7590.68	13715.77	6173.35	4663.61	48.03
Investments	0.01	12647.52	5917.10	4486.40	-
Turnover	5519.23	261.17	74.62	61.36	-
Profit/(Loss) before taxation	(1617.47)	244.70	71.13	55.84	(0.86)
Provision for taxation	--	25.50	5.93	3.22	-
Profit/(Loss) after taxation	(1617.47)	219.20	65.20	52.62	(0.86)
Proposed Dividend	NIL	10.87	45.69	17.40	NIL
Extent of shareholding (In percentage)	100%*	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 Champaran Marketing Co. Ltd.
- \*90.09% held by Palash Securities Limited and 9.91% held by wholly owned subsidiaries of Palash Securities Limited namely Champaran Marketing Co Limited (2.21%), Hargaon Investment & Trading Co Limited (5.49%) and OSM Investment & Trading Co Limited (2.21%)

## 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

Shhalini Nopany Chairperson DIN-00077299	Chand Bihari Patodia Managing Director DIN-01389238	Deepak Kumar Sharma Chief Financial Officer	Mayuri Raja Company Secretary
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Place: Kolkata

Date: 12th May, 2021

## 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 31st March 2021, 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 significant 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 31st March 2021, the Loss and total comprehensive Loss, 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.

### 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.

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

### Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors as on 31st March 2021, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 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 explanation 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 on its financial position.
    - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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

**Chetan Kumar Nathani**  
Partner  
Membership No. – 310904  
UDIN: 21310904AAAAAW7981

Place: Kolkata  
Date: 12th May, 2021

## Annexure – A

### to the Independent Auditors' Report on the Financial Statements of Palash Securities Limited as on 31st March, 2021

**(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 31st March 2021)**

#### 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 2021, 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 31 March 2021, 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

**Chetan Kumar Nathani**  
Partner  
Membership No. – 310904  
UDIN: 21310904AAAAAW7981

Place: Kolkata  
Date: 12th May, 2021

## Annexure – B

### to the Independent Auditors' Report on the Financial Statements of Palash Securities Limited as on 31st March, 2021

*(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 31st March 2021)*

- I. In respect of Fixed Assets:
  - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset.
  - b) Fixed Assets were physically verified by the management during the year in accordance with planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regards to the size to the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) According to the information and explanations given by the management, the title deeds of the properties included in Property, Plant & Equipment are transferred to the Company pursuant to the Scheme of arrangement and are yet to be registered in the name of the Company.
- II. The Company does not have any inventory and hence paragraph 3(ii) of the Order is not applicable.
- III. The company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the registered maintained under section 189 of the companies Act, 2013. Hence Paragraph 3 (iii) 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 Companies Act 2013, with respect to the investments made. The company has not given any Loan.
- V. 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). Accordingly, Paragraph 3 (v) of the order is not applicable.
- VI. The company is not required to maintain cost records under as per section 148 (1) of Companies Act, 2013.
- VII. In respect of Statutory dues: -
  - (a) The company is regular in depositing undisputed statutory dues with the appropriate authorities including income tax, service tax, Goods & Service tax and duty of custom, duty of excise; value added tax, cess or any other statutory dues.
  - (b) There are no statutory dues which are disputed; hence this clause is not applicable on the Company
- VIII. There are no loans and borrowing taken from financial institutions, banks, Government or from debenture holders. Hence, Paragraph 3(viii) of the order is not applicable on the Company.
- IX. The company has not raised any money by the way of initial public offer or further public offer and term loans. Accordingly, paragraph 3(ix) of the order is not applicable
- X. No fraud by /on the Company by its officers or employees has been noticed or reported during the year nor have we been informed about any of such case by the management;
- XI. Managerial Remuneration has not been paid or provided during the year. Accordingly, paragraph 3(xi) of the clause is not applicable.
- XII. The company is not a Nidhi Company. Hence, paragraph 3(xii) of the order is not applicable.
- XIII. All the transactions with the related parties are in compliance with the sections 177 and 188 of the Companies Act, 2013, wherever applicable and the details have been disclosed in the financial statements, as required by the applicable Accounting Standard.
- XIV. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, paragraph 3(xiv) of the order is not applicable on the company.
- XV. According to information and explanation given by the management, the Company has not entered into any non-cash transactions with the directors or persons connected with him/her as referred to in section 192 of Companies Act, 2013
- XVI. The Company is not required to registered under section 45-IA of the Reserve Bank of India Act 1934.

For, **Agrawal Subodh & Co.**  
Chartered Accountants  
Firm's Registration No – 319260E  
**Chetan Kumar Nathani**  
Partner  
Membership No. – 310904  
UDIN: 21310904AAAAAW7981

Place: Kolkata  
Date: 12th May, 2021

## Balance Sheet as on 31 March 2021

₹ in lakhs

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and Cash Equivalents	4	221.48	2.87
(b) Receivables			
(I) Trade Receivables	5	-	-
(II) Other Receivables	5	-	8.45
(c) Investments	6	2,281.73	2,210.85
(d) Other Financial Assets	7	2.16	0.60
Total Financial Assets		2,505.37	2,222.77
<b>2. Non-financial Assets</b>			
(a) Current Tax Assets (net)	8	28.33	5.70
(b) Investment Property	9	39.40	41.53
(c) Property, Plant and Equipment	9	0.06	0.06
(d) Other Non-financial Assets	10	0.91	0.65
Total Non-financial Assets		68.70	47.94
<b>TOTAL ASSETS</b>		<b>2,574.07</b>	<b>2,270.71</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; and	11	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	6.84	6.15
(b) Deposits	12	16.61	67.14
(c) Subordinated Liabilities	13	239.64	230.44
(d) Other Financial Liabilities	14	2.30	16.58
Total Financial Liabilities		265.39	320.31
<b>2. Non-financial Liabilities</b>			
(a) Other Non-financial Liabilities	15	4.69	5.01
Total Non-financial Liabilities		4.69	5.01
<b>Total Liabilities</b>		<b>270.08</b>	<b>325.32</b>
<b>EQUITY</b>			
(a) Equity Share Capital	16	1,000.31	1,000.31
(b) Other Equity	17	1,303.68	945.08
Total Equity		2,303.99	1,945.39
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,574.07</b>	<b>2,270.71</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

**Chetan Kumar Nathani**

 Partner  
 Membership No.: 310904  
 Place: Kolkata  
 Date: 12 May 2021

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

 Managing Director  
 DIN: 01389238

**Mayuri Raja**

Company Secretary

**Shalini Nopany**

 Director  
 DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

## Statement of Profit and Loss for the year ended 31 March 2021

₹ in lakhs

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>I. Revenue from Operations</b>			
(i) Interest Income	18	7.06	6.30
(ii) Dividend Income		290.77	0.64
<b>Total Revenue from Operations</b>		<b>297.83</b>	<b>6.94</b>
<b>II. Other Income</b>			
(i) Rental Income		35.02	36.57
(ii) Other Income	19	0.13	0.15
<b>Total Other Income</b>		<b>35.15</b>	<b>36.72</b>
<b>III. Total Income (I + II)</b>		<b>332.98</b>	<b>43.66</b>
<b>IV. Expenses</b>			
(i) Finance Costs	20	12.66	19.95
(ii) Fees and Commission Expenses	21	7.12	6.73
(iii) Depreciation Expenses	22	2.13	2.37
(iv) Other Expenses	23	23.37	24.26
<b>Total Expenses</b>		<b>45.28</b>	<b>53.31</b>
<b>V. Profit / (Loss) before Exceptional Items and Tax (III - IV)</b>		<b>287.70</b>	<b>(9.65)</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit / (Loss) before Tax (V - VI)</b>		<b>287.70</b>	<b>(9.65)</b>
<b>VIII. Tax expense</b>			
Current tax	24	-	-
Provision for tax related to earlier year no longer required written back	24	(0.02)	-
Deferred tax	24	-	-
<b>Total Tax expenses</b>		<b>(0.02)</b>	-
<b>IX. Profit / (Loss) for the year (VII-VIII)</b>		<b>287.72</b>	<b>(9.65)</b>
<b>X. 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		70.88	(23.62)
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of income tax</b>		<b>70.88</b>	<b>(23.62)</b>
<b>XI. Total comprehensive income for the year (XI + X)</b>		<b>358.60</b>	<b>(33.27)</b>
<b>XII. Earnings per equity share [Nominal value per equity share ₹10 (₹10)]</b>			
(a) Basic (₹)	25	2.88	(0.10)
(b) Diluted (₹)	25	2.88	(0.10)
Summary of significant accounting policies	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

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2021

For and on behalf of the Board of Directors

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Shalini Nopany**

Director

DIN: 00077299

**Mayuri Raja**

Company Secretary

**Deepak Kumar Sharma**

Chief Financial Officer

## Statement of Changes in Equity for the year ended 31 March 2021

### A. Equity Share Capital

Particulars	Notes	As at 31 March 2021		As at 31 March 2020	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	16	1,00,03,102	1,000.31	1,00,03,102	1,000.31
Change in equity share capital during of the year	16	-	-	-	-
Balances at the end of the year	16	1,00,03,102	1,000.31	1,00,03,102	1,000.31

### B. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus		Items of OCI	Total
	Capital Reserve	Retained Earnings	Equity instruments through OCI	
Balance as at 1 April 2019	1,635.40	(715.48)	58.43	978.35
Total comprehensive income for the year				
- Profit	-	(9.65)	-	(9.65)
- Net change in fair value of Equity investments	-	-	(23.62)	(23.62)
Total comprehensive income	-	(9.65)	(23.62)	(33.27)
Balance as at 31 March 2020	1,635.40	(725.13)	34.81	945.08
<b>Total comprehensive income for the year</b>				
- Profit	-	287.72	-	287.72
- Net change in fair value of Equity investments	-	-	70.88	70.88
<b>Total comprehensive income</b>	-	287.72	70.88	358.60
<b>Balance as at 31 March 2021</b>	<b>1,635.40</b>	<b>(437.41)</b>	<b>105.69</b>	<b>1,303.68</b>

The description of the purpose of each reserve 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.

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

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2021

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

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Mayuri Raja**

Company Secretary

**Shalini Nopany**

Director

DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

## Cash Flow Statement for the year ended 31 March 2021

₹ in lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit / (Loss) before tax</b>	<b>287.70</b>	(9.65)
Adjustments for:		
Interest Income	(3.82)	(6.30)
Finance Costs	12.66	19.95
Depreciation Expenses	2.13	2.37
Loss on Sale / Discard of Property, Plant and Equipment (net)	-	0.79
	<b>298.67</b>	<b>7.16</b>
Working capital adjustments:		
Decrease / (Increase) in Receivables	8.45	(8.45)
(Increase) in Other Financial Assets	(1.56)	-
(Increase) in Other Non-financial Assets	(0.26)	(0.34)
Increase in Payables	0.69	2.04
(Decrease) in Other Financial Liabilities	(14.28)	-
(Decrease) in Other Non-financial Liabilities	(0.49)	(0.03)
Cash Generation from Operations	<b>291.22</b>	0.38
Income tax paid (net of refund received)	(22.61)	(1.59)
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>268.61</b>	<b>(1.21)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Net Cash generated from Investing Activities</b>	-	-
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Deposits	(50.00)	(10.00)
<b>Net Cash used in Financing Activities</b>	<b>(50.00)</b>	<b>(10.00)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>218.61</b>	<b>(11.21)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>2.87</b>	<b>14.08</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>221.48</b>	<b>2.87</b>

### Change in Liabilities arising from financing activities

₹ in lakhs

Particulars	As on 1 April 2020	Cash Flow	Change in Fair Value	As on 31 March 2021
Deposits [Note 12]	67.14	(50.00)	(0.53)	16.61
Subordinated Liabilities [Note 13]	230.44	-	9.20	239.64

Particulars	As on 1 April 2019	Cash Flow	Change in Fair Value	As on 31 March 2020
Deposits [Note 12]	70.71	(10.00)	6.43	67.14
Subordinated Liabilities [Note 13]	216.92	-	13.52	230.44

As per our report of even date attached

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2021

For and on behalf of the Board of Directors

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Mayuri Raja**

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 March 2021 (Contd.)

### 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 Hargaon, 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.

### 2. Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 12 May 2021.

Details of the Company's significant accounting policies are included in Note 3.

#### 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 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) is presented in Note 27.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and / or its counterparties.

#### 2.4 Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except certain financial assets and financial liabilities measured at fair value.

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 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.

#### 2.5 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.

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 6** - Determining the fair values of investments.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

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 9** - Useful life and residual value of investment property and property, plant and equipment;
- Note 30** - Recognition of deferred tax assets: availability of future taxable profit against which deductions allowed on payment / other basis can be used;
- Note 31** - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

### 2.6 Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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 are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.5.

## 3. Significant 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 or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### ***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.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

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

A financial asset is measured at amortised cost if it meets 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 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 assets 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 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).

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 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.

### 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.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 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.

### **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 trade 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 trade receivables using a provision matrix on the basis of its historical credit loss experience.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

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).

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.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 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.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. 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 estimated useful lives are, as follows:

- Buildings 30 years

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

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 Capital work-in-progress (CWIP)

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the reporting date. Directly attributable expenditure (including finance costs relating to borrowed funds / general borrowings for construction or acquisition of property, plant and equipment) incurred on project under implementation are treated as Pre-operative expenses pending allocation to the asset and are shown under CWIP.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 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 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 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.



## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 3.8 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.

### 3.9 Recognition of interest income

#### *The effective interest rate method*

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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*

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3' the Company calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

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.

### 3.10 Recognition of income and expenses

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

- Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5:** Recognise revenue when (or as) the Company satisfies a performance obligation.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### **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.

### **Expenses**

All expenses are accounted for on accrual basis.

### **3.11 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.

### **3.12 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.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 3.13 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.

### 3.14 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.

### 3.15 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.

### 3.16 Recent accounting pronouncement

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III are applicable from financial year commencing from 1 April 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### **Balance Sheet:**

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of receivables and payables.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### **Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 4. Cash and cash equivalents

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.04	0.01
Balances with banks		
- Current accounts	21.44	2.86
Bank deposits having maturity of three months or less of original maturities	200.00	-
	<b>221.48</b>	<b>2.87</b>

### 5. Receivables

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<i>Unsecured, considered good</i>		
Trade receivables	-	-
Other receivables	-	8.45
	-	<b>8.45</b>

- (a) No debt is due by directors or other officers of the Company 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.
- (b) Information about the Company's exposure to credit risks and loss allowances related to receivables are disclosed in Note 31(C).

### 6. Investments

₹ in lakhs

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2021	As at 31 March 2020
<b>Equity shares (fully paid) carried at FVOCI - (Quoted)</b>				
- Avadh Sugar & Energy Ltd.	13,614	10.00	25.24	16.09
- Magadh Sugar & Energy Ltd.	20,238	10.00	20.65	13.28
- Ganges Securities Ltd.	16,060	10.00	9.48	3.47
			<b>55.37</b>	<b>32.84</b>
<b>Equity shares (fully paid) carried at FVOCI - (Unquoted)</b>				
- Birla Buildings Ltd.	1,920	10.00	14.25	7.97
- Moon Corporation Ltd. ('A' Class)	745	100.00	38.27	5.21
- Moon Corporation Ltd. ('B' Class)	2,502	5.00	6.42	0.87
- The Oudh Trading Company Pvt. Ltd.	25	100.00	5.80	2.34
- Bihar State Financial Corporation Ltd.	70	100.00	-	-
			<b>64.74</b>	<b>16.39</b>
<b>Equity shares (fully paid) of Subsidiaries carried at amortised cost - (Unquoted)</b>				
- Allahabad Canning Ltd.	1,09,84,588	10.00	1,098.46	1,098.46
- 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>2,161.62</b>	<b>2,161.62</b>
			<b>2,281.73</b>	<b>2,210.85</b>
<b>Investments outside India</b>			-	-
<b>Investments in India</b>			<b>2,281.73</b>	<b>2,210.85</b>
			<b>2,281.73</b>	<b>2,210.85</b>

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 6. Investments (Contd.)

- (a) The Company received dividends other than from subsidiaries of ₹ **1.45 lakhs** (31 March 2020: ₹ 0.64 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 2020-21 and there were no transfer of any cumulative gain or loss within equity relating to these investments.
- (d) The company had received offer for subscribing upto 12,08,305 equity shares on rights basis of M/s Allahabad Canning Limited, a wholly owned subsidiary of the company. The fresh issue comprised of equity Shares of face value of Rs. 10/- at a premium of Rs. 65.80 each amounting to Rs 9.16 crores. The entire offered shares have been renounced in favour of its other wholly owned subsidiaries namely Hargaon Investment & Trading Co Limited, OSM Investment & Trading Co Limited and Champaran Marketing Co Limited.

### 7. Other Financial Assets

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<i>At amortised cost</i>		
Security deposits	0.60	0.60
Interest accrued on bank deposits	1.56	-
	<b>2.16</b>	<b>0.60</b>

### 8. Current Tax Assets (net)

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Tax deducted at sources	28.33	5.70
Less: Provision for taxation	-	-
	<b>28.33</b>	<b>5.70</b>

## Notes to financial statements as at and for the year ended 31 March 2021 (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 2019	9.89	37.05	46.94	0.08
Additions during the year	-	-	-	-
Disposals / discard during the year	-	0.80	0.80	-
Balance at 31 March 2020	<b>9.89</b>	<b>36.25</b>	<b>46.14</b>	<b>0.08</b>
Additions during the year	-	-	-	-
Disposals / discard during the year	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>9.89</b>	<b>36.25</b>	<b>46.14</b>	<b>0.08</b>
<b>Accumulated depreciation</b>				
Balance at 1 April 2019	-	2.26	2.26	0.01
Depreciation for the year	-	2.36	2.36	0.01
Disposals / discard during the year	-	0.01	0.01	-
Balance at 31 March 2020	-	4.61	4.61	0.02
<b>Depreciation for the year</b>	-	2.13	2.13	-
<b>Disposals / discard during the year</b>	-	-	-	-
<b>Balance at 31 March 2021</b>	-	<b>6.74</b>	<b>6.74</b>	<b>0.02</b>
<b>Carrying amount (net)</b>				
At 31 March 2020	9.89	31.64	41.53	0.06
<b>At 31 March 2021</b>	<b>9.89</b>	<b>29.51</b>	<b>39.40</b>	<b>0.06</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Freehold Land	546.04	530.13
Buildings	29.51	31.64
<b>Total</b>	<b>575.55</b>	<b>561.77</b>

The amounts recognised in profit or loss for:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) Rental income from investment property	35.02	36.57
(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	2.73	1.28
(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	6.33	8.22

### 10. Other Non-financial Assets

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<i>(Unsecured, considered good)</i>		
<b>Advances other than Capital Advances</b>		
Advances to suppliers	0.91	0.65
	<b>0.91</b>	<b>0.65</b>

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 11. Payables

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises; and	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.84	6.15
	<b>6.84</b>	<b>6.15</b>
The following details relating to Micro enterprises and small enterprises are as under:		
(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.	-	-

### 12. Deposits

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<i>At amortised cost</i>		
Security deposits taken against investment property	16.61	67.14
	<b>16.61</b>	<b>67.14</b>

### 13. Subordinated Liabilities

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (at amortised cost)	239.64	230.44
	<b>239.64</b>	<b>230.44</b>

#### Rights, preferences and restrictions attached to 8.5% non-convertible cumulative redeemable preference shares of ₹10 each:

The Non-convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 10 each carries dividend @ 8.50% per annum. NCCRPS shall be redeemable at par on 2 August 2023 being twelve years and one day from the date of the original allotment i.e. 1 August 2011 with a right vested to the Board of Directors to redeem it earlier, subject to consent of the lenders. The dividend is payable at the time of redemption of the NCCRPS. However, the Board reserves the right to pay dividend earlier subject to the availability of the profit.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 14. Other Financial Liabilities

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Liabilities for capital goods	2.30	16.58
	<b>2.30</b>	<b>16.58</b>

### 15. Other Non-financial Liabilities

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	1.36	1.85
Deferred income on security deposits	3.33	3.16
	<b>4.69</b>	<b>5.01</b>

### 16. Share Capital

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<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>

13,00,000 8.5% Non-convertible Cumulative Redeemable Preference Shares of ₹ 10 each issued are classified as Subordinated Liability. [Note 13]

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	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.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.



## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 16. Share Capital (Contd.)

#### (c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	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>				
Uttar Pradesh Trading Co. Limited	12,83,234	12.83	12,83,234	12.83
SCM Investment & Trading Co. Limited	10,78,958	10.79	10,78,958	10.79
New India Retailing & Investment Limited	10,71,532	10.71	10,71,532	10.71
RTM Investment & Trading Co. Limited	9,04,951	9.05	9,04,951	9.05
Deepshikha Trading Co. Private Limited	6,88,741	6.89	6,64,129	6.64
Sonali Commercial Limited	5,12,658	5.12	refer note given below	
<b>NCCRPS of ₹ 10 each fully paid up held by</b>				
Sutlej Textiles & Industries Limited	13,00,000	100.00	13,00,000	100.00

Note: As on 31 March 2020, equity shares of the Company held by Sonali Commercial Limited were not more than 5%.

#### (d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
<i>Issued pursuant to the scheme of arrangement:</i>					
Equity shares of ₹10 each allotted as fully paid-up	-	-	-	-	1,00,03,102
Preference shares of ₹10 each allotted as fully paid-up	-	-	-	-	13,00,000

### 17. Other Equity

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Capital Reserve</b>		
Balance at the beginning and at the end of the year	1,635.40	1,635.40
<b>Retained Earnings</b>		
Balance at the beginning of the year	(725.13)	(715.48)
Profit / (Loss) for the year	287.72	(9.65)
Balance at the end of the year	(437.41)	(725.13)
<b>Equity Instruments through OCI</b>		
Balance at the beginning of the year	34.81	58.43
Net change in fair value for the year	70.88	(23.62)
Balance at the end of the year	105.69	34.81
	<b>1,303.68</b>	<b>945.08</b>

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 18. Interest Income

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
<b>On financial assets measured at amortised</b>		
Interest on security deposits	3.82	6.30
Interest on bank deposits	3.24	-
	<b>7.06</b>	<b>6.30</b>

### 19. Other Income

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on refund from income tax department	0.13	0.15
Miscellaneous Income *	-	-
	<b>0.13</b>	<b>0.15</b>

\* During the current year, amount, being less than ₹ 500, has been shown as ₹ "-".

### 20. Finance Costs

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
<i>On Financial Liabilities measured at amortised cost:</i>		
Interest on Deposits	3.46	6.43
Interest on Subordinated Liabilities	9.20	13.52
	<b>12.66</b>	<b>19.95</b>

### 21. Fees and Commission Expenses

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Listing and Other Regulatory Fees	7.08	6.67
Fees related to ROC matters	0.04	0.06
	<b>7.12</b>	<b>6.73</b>

### 22. Depreciation Expenses

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Investment Property [Note 9]	2.13	2.36
Depreciation on Property, Plant and Equipment [Note 9]	-	0.01
	<b>2.13</b>	<b>2.37</b>

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 23. Other Expenses

₹ in lakhs

	Year ended 31 March 2021		Year ended 31 March 2020	
Rent, Tax and Energy Costs		2.86		2.11
Repairs and Maintenance		5.60		7.17
Communication Costs		0.10		1.60
Printing and Stationery		2.24		3.15
Advertisement and Publicity		0.92		0.84
Director's Sitting Fees		1.43		1.38
Auditor's Fee and Expenses				
<i>As Auditors</i>				
- Statutory audit	1.25		1.00	
- Limited review of quarterly results	0.75		0.60	
<i>In other capacity</i>				
- For certificates and other services	2.75	4.75	1.75	3.35
Legal and Professional Charges		3.72		3.16
Insurance		0.65		0.25
Loss on Sales / Discard of Property, Plant and Equipment (net)		-		0.79
Other Expenses		1.10		0.46
		<b>23.37</b>		<b>24.26</b>

### 24. Tax expense

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Current tax</b>	-	-
Provision for tax related to earlier year no longer required written back	(0.02)	-
<b>Deferred tax</b>		
Attributable to origination and reversal of temporary differences	-	-
<b>Total</b>	<b>(0.02)</b>	<b>-</b>

#### Reconciliation of effective tax

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Rate	₹ in lakhs	Rate	₹ in lakhs
<b>Profit / (Loss) before tax</b>		287.70		(9.65)
Tax using the Company's domestic tax rate	25.168%	72.41	22.88%	(2.21)
Tax effect of:				
- Deferred tax expense adjusted with deferred tax assets not recognised		(41.92)		(89.82)
- Tax benefits lapsed due to exercise the option available under Section 115BAA of the Income Act, 1961		-		39.45
- Impact of reduction in tax rate due to exercising option available under Section 115BAA of the Income Tax Act, 1961		-		45.31
- Amount related to earlier years		(37.34)		-
- Interest expense on Preference shares classified as subordinated liability not deductible for tax purposes		2.32		3.09
- Other permanent differences		4.51		4.18
<b>Effective tax rate</b>		<b>(0.02)</b>		<b>-</b>

The Company has decided to opt the income tax as per the provisions of Section 115 BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 and the same is being considered in these financial statements.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 25. 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:

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Profit / (Loss) attributable to equity shareholders (₹ in lakhs)	287.72	(9.65)
(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 (₹)	2.88	(0.10)

There is no dilutive potential equity share.

26. 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.

### 27. 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 2021		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	221.48	-	221.48
Investments	-	2,281.73	2,281.73
Other Financial Assets	2.16	-	2.16
<i>Non-financial Assets:</i>			
Current Tax Assets (net)	28.33	-	28.33
Investment Property	-	39.40	39.40
Property, Plant and Equipment	-	0.06	0.06
Other Non-financial Assets	0.91	-	0.91
<b>Total Assets</b>	<b>252.88</b>	<b>2,321.19</b>	<b>2,574.07</b>
<i>Financial Liabilities:</i>			
Payables	6.84	-	6.84
Deposits	-	16.61	16.61
Subordinated Liabilities	-	239.64	239.64
Other Financial Liabilities	2.30	-	2.30
<i>Non-financial Liabilities:</i>			
Other Non-financial Liabilities	2.69	2.00	4.69
<b>Total Liabilities</b>	<b>11.83</b>	<b>258.25</b>	<b>270.08</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>241.05</b>	<b>2,062.94</b>	<b>2,303.99</b>

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 27. 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. (Contd.)

₹ in lakhs

Particulars	As at 31 March 2020		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	2.87	-	2.87
Receivables	8.45	-	8.45
Investments	-	2,210.85	2,210.85
Other Financial Assets	0.60	-	0.60
<i>Non-financial Assets:</i>			
Current Tax Assets (net)	5.70	-	5.70
Investment Property	-	41.53	41.53
Property, Plant and Equipment	-	0.06	0.06
Other Non-financial Assets	0.65	-	0.65
<b>Total Assets</b>	<b>18.27</b>	<b>2,252.44</b>	<b>2,270.71</b>
<i>Financial Liabilities:</i>			
Payables	6.15	-	6.15
Deposits	67.14	-	67.14
Subordinated Liabilities	-	230.44	230.44
Other Financial Liabilities	16.58	-	16.58
<i>Non-financial Liabilities:</i>			
Other Non-financial Liabilities	5.01	-	5.01
<b>Total Liabilities</b>	<b>94.88</b>	<b>230.44</b>	<b>325.32</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>(76.61)</b>	<b>2,022.00</b>	<b>1,945.39</b>

**28.** The possible impacts of COVID-19, if any, have been considered in the above financial statements, including internal and external factors known upto the date of approval of these financial statements, to assess the carrying amount of assets and liabilities of the Company. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes in future economic conditions.

### 29. 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 placed 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	Allahabad Canning 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

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

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

#### A. Names of related parties and related party relationship (Contd.)

##### Related parties where control exist / with whom transactions have been taken place during the year (Contd.)

Key management personnel	Mrs. Shalini Nopany	– Chairperson / Non-Executive Director
	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 (w.e.f. 7 February 2020)
	Mr. Bal Kishore Malpani	– Non-Executive Director (from 10 August 2018 to 3 March 2020)
	Mr. Chand Bihari Patodia	– Managing Director
	Mr. Deepak Kumar Sharma	– Chief Financial Officer
	Ms. Mayuri Raja	– Company Secretary

#### 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	2021	0.20	-
	2020	0.15	-
Mr. Arun Kumar Newar	2021	0.45	-
	2020	0.45	-
Mr. Chhedi Lal Agarwal	2021	0.45	-
	2020	0.45	-
Mr. Dinesh Kacholia	2021	0.23	-
	2020	0.23	-
Mr. Suresh Kumar Khandelia	2021	0.10	-
	2020	-	-
Mr. Bal Kishore Malpani	2021	-	-
	2020	0.10	-

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

₹ in lakhs

Particulars	Year ended 31 March	Investments in equity shares	Dividend Income	Amount owed by related parties
Allahabad Canning Limited	2021	1,098.46	-	-
	2020	1,098.46	-	-
Champaran Marketing Company Limited	2021	192.96	54.36	-
	2020	192.96	-	-
Hargaon Investment & Trading Company Limited	2021	609.14	182.75	-
	2020	609.14	-	-
OSM Investment & Trading Company Limited	2021	261.06	52.21	-
	2020	261.06	-	-

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

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

#### C. Details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013

- (i) The Company has neither given any loan nor has advanced any amount either during the year ended 31 March 2021 or year ended 31 March 2020.
- (ii) Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note 6.

#### 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. No guarantees have been given or received.
- (iii) For the year ended 31 March 2021, 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.
- (iv) The sitting fees of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

- 30.** The Company has recognised deferred tax asset on carried forward business losses, unabsorbed depreciation and net change in fair value of investments at FVOCI from admissible cost of the same as per the provisions of the Income Tax Act, 1961 to the extent of deferred tax liability as per the Company's Accounting Policies (refer Note 3.11).

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

₹ in lakhs

Particulars	As at 31 March 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2021
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	296.65	(49.18)	-	247.47
Investments - Quoted Equity Shares	5.54	-	(2.03)	3.51
	<b>302.19</b>	<b>(49.18)</b>	<b>(2.03)</b>	<b>250.98</b>
Less : Deferred tax assets not recognised	292.23	(41.92)	(13.33)	236.98
	<b>9.96</b>	<b>(7.26)</b>	<b>11.30</b>	<b>14.00</b>
<b>Deferred tax liabilities</b>				
Investments - Unquoted Equity Shares	2.70	-	11.30	14.00
Investment Property	7.24	(7.24)	-	-
Property, plant and equipments	0.02	(0.02)	-	-
	<b>9.96</b>	<b>(7.26)</b>	<b>11.30</b>	<b>14.00</b>
<b>Net deferred tax assets</b>	-	-	-	-

Particulars	As at 1st April 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2020
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	386.65	(90.00)	-	296.65
MAT credit entitlement	1.63	(1.63)	-	-
Investments - Quoted Equity Shares	3.08	-	2.46	5.54
	<b>391.36</b>	<b>(91.63)</b>	<b>2.46</b>	<b>302.19</b>
Less : Deferred tax assets not recognised	379.57	(89.82)	2.48	292.23
	<b>11.79</b>	<b>(1.81)</b>	<b>(0.02)</b>	<b>9.96</b>
<b>Deferred tax liabilities</b>				
Investments - Unquoted Equity Shares	2.72	-	(0.02)	2.70
Investment Property	9.05	(1.81)	-	7.24
Property, plant and equipments	0.02	-	-	0.02
	<b>11.79</b>	<b>(1.81)</b>	<b>(0.02)</b>	<b>9.96</b>
<b>Net deferred tax assets</b>	-	-	-	-

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 31. 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 2021</b>					
<b>Financial assets</b>					
Investment in equity shares (Quoted)	-	55.37	-	55.37	55.37
Investment in equity shares (Unquoted)	-	64.74	-	64.74	64.74
Cash and cash equivalents	-	-	221.48	221.48	221.48
Investment in Subsidiaries	-	-	2,161.62	2,161.62	2,161.62
Other financial assets	-	-	2.16	2.16	2.16
	-	<b>120.11</b>	<b>2,385.26</b>	<b>2,505.37</b>	<b>2,505.37</b>
<b>Financial liabilities</b>					
Payables	-	-	6.84	6.84	6.84
Deposits	-	-	16.61	16.61	16.61
Subordinated liabilities	-	-	239.64	239.64	239.64
Other financial liabilities	-	-	2.30	2.30	2.30
	-	-	<b>265.39</b>	<b>265.39</b>	<b>265.39</b>
<b>As at 31 March 2020</b>					
<b>Financial assets</b>					
Investment in equity shares (Quoted)	-	32.84	-	32.84	32.84
Investment in equity shares (Unquoted)	-	16.39	-	16.39	16.39
Cash and cash equivalents	-	-	2.87	2.87	2.87
Receivables	-	-	8.45	8.45	8.45
Investment in Subsidiaries	-	-	2,161.62	2,161.62	2,161.62
Other financial assets	-	-	0.60	0.60	0.60
	-	<b>49.23</b>	<b>2,173.54</b>	<b>2,222.77</b>	<b>2,222.77</b>
<b>Financial liabilities</b>					
Payables	-	-	6.15	6.15	6.15
Deposits	-	-	67.14	67.14	67.14
Subordinated liabilities	-	-	230.44	230.44	230.44
Other financial liabilities	-	-	16.58	16.58	16.58
	-	-	<b>320.31</b>	<b>320.31</b>	<b>320.31</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.

#### 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:

₹ in lakhs

Particulars	Note	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2021</b>					
Investment in equity shares (Quoted)	6	55.37	-	-	55.37
Investment in equity shares (Unquoted)	6	-	-	64.74	64.74
<b>As at 31 March 2020</b>					
Investment in equity shares (Quoted)	6	32.84	-	-	32.84
Investment in equity shares (Unquoted)	6	-	-	16.39	16.39



## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

### 31. 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 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 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.

The Company's exposure to credit risk for receivables by type of counterparty is as follows.

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Corporate bodies in relation to rental income	-	8.45

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

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

#### C. Financial 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 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.

#### Ageing of receivables are as under:

(₹ in lakhs)

Particulars	Not yet due	Less than 60 days	61- 180 days	181-365 days	More than 1 year	Total
As at 31 March 2021	-	-	-	-	-	-
As at 31 March 2020	8.45	-	-	-	-	8.45

During the period, the Company has made no write-offs of 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)

	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
<b>As at 31 March 2021</b>						
Payables	6.84	6.84	6.84	-	-	-
Deposits*	16.61	20.00	-	-	20.00	-
Subordinated Liabilities*	239.64	262.66	-	-	262.66	-
Other financial liabilities	2.30	2.30	2.30	-	-	-
	<b>265.39</b>	<b>291.80</b>	<b>9.14</b>	<b>-</b>	<b>282.66</b>	<b>-</b>
<b>As at 31 March 2020</b>						
Payables	6.15	6.15	6.15	-	-	-
Deposits*	67.14	70.00	70.00	-	-	-
Subordinated Liabilities*	230.44	262.66	-	-	262.66	-
Other financial liabilities	16.58	16.58	16.58	-	-	-
	<b>320.31</b>	<b>355.39</b>	<b>92.73</b>	<b>-</b>	<b>262.66</b>	<b>-</b>

\* including estimated interest / dividend as finance cost.

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

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

#### C. Financial 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 2021	As at 31 March 2020
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	239.64	230.44
<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		Equity, net of tax	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
BSE - increase by 10%	5.54	3.28	4.91	2.90
BSE - decrease by 10%	(5.54)	(3.28)	(4.91)	(2.90)

## Notes to financial statements as at and for the year ended 31 March 2021 (Contd.)

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

#### C. Financial risk management (Contd.)

##### 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.

### 32. 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.

**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

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2021

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

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Shalini Nopany**

Director

DIN: 00077299

**Mayuri Raja**

Company Secretary

**Deepak Kumar Sharma**

Chief Financial Officer

## Independent Auditor's Report

### on the Consolidated Ind AS Financial Statements

To the Members of  
**Palash Securities Limited**

### Report on the 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 Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), comprising of the consolidated Balance Sheet as at 31 March 2021, 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 significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements')

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 consolidated state of affairs of the Group as at 31 March, 2021, the consolidated Loss (including consolidated total comprehensive Loss), their consolidate cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 Group 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements

### Emphasis of Matter Paragraph

We draw your attention to Note no. 5 of accompanying financial Statements where one of the subsidiary Company, M/s Allahabad Canning Ltd (ACL) indicates the fact that the net worth is eroded and as on Balance Sheet date and its current liabilities exceeded its current assets. The same has not been audited by us. This condition may indicate the existence of uncertainty about the subsidiary's ability to continue as a going concern. However, the financial information of the Subsidiary ACL 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.

### Other Matter Paragraph

The accompanying statement includes the audited financial statements and other financial information in respect of four subsidiaries (Except Champaran Marketing Company Limited which has been audited by us), whose financial statements reflect total assets of Rs 27,527.83 Lakhs as at 31 March 2021, total revenue of Rs 1,841.54 Lakhs and 5870.12 Lakhs, total net profit/(loss) after tax of Rs. (904.08) Lakhs and Rs. (1,333.12) Lakhs, total comprehensive income/(loss) of Rs. 896.37 Lakhs and Rs. 9555.93 Lakhs, for the quarter and year ended on that date respectively,

and net cash inflows/(outflows) of Rs. (61.22) Lakhs for the year ended March 2021, as considered in the statement which have been audited by their respective independent auditors. The said reports have been furnished to us by the management and our opinion on the statement in so far as it relates to the amount and disclosures included in respect of these subsidiaries is solely based on the reports of such auditors and the procedures performed by us as stated in paragraph above.

### 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 for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 consolidated Ind AS 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 holding company's Board of Directors is responsible for the other information. The other information comprises the information included in the holding company's Annual Report, for example, Board of Director's Report, Report on Corporate Governance, Management Discussion & Analysis and 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 and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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.

### Responsibility of Management for the Consolidated Ind AS Financial Statements

The holding 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 companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the company included in the group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the group are also responsible for overseeing the company's financial reporting process of the group.

### **Auditor's Responsibility 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 Holding 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 within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the 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

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

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

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

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, 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) In our opinion, proper books of account as required by law relating to presentation of the aforesaid Consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and report of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity 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) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of Holding Company as on 31 March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors is disqualified as on 31 March, 2021 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the 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 explanation given to us, the remuneration paid to its directors during the year is within the limits of the provision of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Group did not have any pending litigations which will impact on its financial position.
  - II. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - III. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

**Chetan Kumar Nathani**  
Partner  
Membership No. 310904  
UDIN: 21310904AAAAAX5464

Place: Kolkata  
Date: 12th May, 2021



## **Annexure –A to the Independent Auditors’ Report on the Consolidated Ind AS Financial Statements of Palash Securities Limited as on 31 March 2021**

*(Referred to in paragraph (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 31 March, 2021)*

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of Palash Securities Limited as of and for the year ended 31 March, 2021 we have audited the internal financial controls over financial reporting of Palash Securities Ltd (hereinafter referred to as the “Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that 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 Companies Act, 2013.

#### **Auditor’s 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and Audit evidence obtained by other auditors in terms of their report, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the holding company and its subsidiary companies which are companies incorporated in India, have, in all material respects, maintained in generally adequate internal financial controls over financial reporting as of 31 March, 2021, 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.

**Other Matters**

Our aforesaid report under section 143(3) (i) of the Act on the adequacy and operating effectiveness of Internal Financial Controls over Financial Reporting in so far it relates to its five subsidiaries which are companies incorporated in Republic of India, is based on the corresponding report of such company incorporated in Republic of India. Our opinion is not modified in respect of above matters.

Place: Kolkata  
Date: 12th May, 2021

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

**Chetan Kumar Nathani**  
Partner  
Membership No. 310904  
UDIN: 21310904AAAAAX5464

## Consolidated Balance Sheet as at 31 March 2021

(₹ in laksh)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and Cash Equivalents	4	666.22	716.12
(b) Bank Balances other than (a) above	5	2.07	8.80
(c) Receivables			
(I) Trade Receivables	6	753.96	740.83
(II) Other Receivables	6	-	8.45
(d) Loans	7	800.00	900.00
(e) Investments	8	22,205.26	13,357.48
(f) Other Financial Assets	9	36.95	41.92
Total Financial Assets		24,464.46	15,773.60
<b>2. Non-financial Assets</b>			
(a) Inventories	10	1,565.28	2,054.31
(b) Current Tax Assets (net)	11	41.15	9.49
(c) Investment Property	12	39.40	41.53
(d) Property, Plant and Equipment	13	4,661.09	286.58
(e) Capital Work-in-Progress		67.33	-
(f) Other Non-financial Assets	14	598.27	405.29
Total Non-financial Assets		6,972.52	2,797.20
<b>TOTAL ASSETS</b>		<b>31,436.98</b>	<b>18,570.80</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; and	15	80.12	40.97
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	15	830.92	938.16
(b) Borrowings (Other than Debt Securities)	16	2,071.40	728.45
(c) Deposits	17	16.61	67.14
(d) Subordinated Liabilities	18	239.64	230.44
(e) Other Financial Liabilities	19	111.17	145.06
Total Financial Liabilities		3,349.86	2,150.22
<b>2. Non-financial Liabilities</b>			
(a) Provisions	20	119.15	120.89
(b) Other Non-financial Liabilities	21	175.03	95.72
Total Non-financial Liabilities		294.18	216.61
Total Liabilities		3,644.04	2,366.83
<b>EQUITY</b>			
(a) Equity Share Capital	22	1,000.31	1,000.31
(b) Other Equity	23	26,792.63	15,203.66
Total Equity		27,792.94	16,203.97
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>31,436.98</b>	<b>18,570.80</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

**Chetan Kumar Nathani**  
Partner  
Membership No.: 310904  
Place: Kolkata  
Date: 12 May 2021

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

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

**Shalini Nopany**  
Director  
DIN: 00077299

**Mayuri Raja**  
Company Secretary

**Deepak Kumar Sharma**  
Chief Financial Officer

## Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(₹ in lakhs)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>I. Revenue from Operations</b>			
(i) Interest Income	24	96.29	150.04
(ii) Dividend Income		240.42	258.69
(iii) Sale of Products	25	5,519.24	4,158.75
<b>Total Revenue from Operations</b>		<b>5,855.95</b>	<b>4,567.48</b>
<b>II. Other Income</b>			
(i) Rental Income		35.02	36.57
(ii) Other Income	26	14.09	11.93
<b>Total Other Income</b>		<b>49.11</b>	<b>48.50</b>
<b>III. Total Income (I + II)</b>		<b>5,905.06</b>	<b>4,615.98</b>
<b>IV. Expenses</b>			
(i) Finance Costs	27	143.40	71.33
(ii) Fees and Commission Expenses	28	7.93	7.64
(iii) Cost of Materials Consumed	29	1,006.52	1,066.02
(iv) Purchases of Stock-in-trade		2,085.57	1,625.43
(v) Changes in Inventories of finished goods, stock-in-trade and work-in-progress	30	418.26	(581.45)
(vi) Employee Benefits Expenses	31	1,415.21	944.49
(vii) Depreciation Expense	32	35.27	31.55
(viii) Other Expenses	33	2,041.18	1,610.43
<b>Total Expenses</b>		<b>7,153.34</b>	<b>4,775.44</b>
<b>V. Profit / (Loss) before Exceptional Items and Tax (III - IV)</b>		<b>(1,248.28)</b>	<b>(159.46)</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit / (Loss) before Tax (V + VI)</b>		<b>(1,248.28)</b>	<b>(159.46)</b>
<b>VIII. Tax expense</b>			
Current tax	34	34.65	39.57
Provision for tax related to earlier year	34	-	0.02
Provision for tax related to earlier year no longer required written back	34	(0.02)	(5.52)
Deferred tax	34	-	-
<b>Total tax expenses</b>		<b>34.63</b>	<b>34.07</b>
<b>IX. Profit / (Loss) for the year (VII - VIII)</b>		<b>(1,282.91)</b>	<b>(193.53)</b>
<b>X. Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
(a) Remeasurement of defined benefit liability / (asset)		2.88	(4.54)
(b) Revaluation Surplus - net change in fair value		4,030.40	-
(c) Equity investments through other comprehensive income - net change in fair value		8,838.60	(8,734.24)
(d) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of income tax</b>		<b>12,871.88</b>	<b>(8,738.78)</b>
<b>XI. Total comprehensive income for the year (IX + X)</b>		<b>11,588.97</b>	<b>(8,932.31)</b>
<b>XII. Earnings per equity share [Nominal value per equity share ` 10 ( ` 10)]</b>			
(a) Basic (₹)	35	(12.83)	(1.93)
(b) Diluted (₹)	35	(12.83)	(1.93)
<b>Summary of significant accounting policies</b>		<b>3</b>	

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

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2021

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

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Shalini Nopany**

Director

DIN: 00077299

**Mayuri Raja**

Company Secretary

**Deepak Kumar Sharma**

Chief Financial Officer

## Consolidated Statement of Changes in Equity for the year ended 31 March 2021

### A. Equity Share Capital

	Notes	As at 31 March 2021		As at 31 March 2020	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	22	1,00,03,102	1,000.31	1,00,03,102	1,000.31
Change in equity share capital during of the year	22	-	-	-	-
Balances at the end of the year	22	1,00,03,102	1,000.31	1,00,03,102	1,000.31

### B. Other Equity

(₹ in laksh)

	Reserves and Surplus					Items of OCI		Total
	Capital Reserve	Capital Re-demption Reserve	General Reserve	Reserve Fund	Retained Earnings	Revaluation Surplus - Land	Equity instruments through OCI	
Balance as at 1 April 2019	1,645.66	45.00	324.50	845.24	2,329.32	-	18,946.25	24,135.97
Total comprehensive income for the year								
- Profit / (Loss)	-	-	-	-	(193.53)	-	-	(193.53)
"- Remeasurement of defined benefit liability / (asset)"	-	-	-	-	(4.54)	-	-	(4.54)
- Net change in fair value of Equity investments	-	-	-	-	-	-	(8,734.24)	(8,734.24)
Total comprehensive income	-	-	-	-	(198.07)	-	(8,734.24)	(8,932.31)
Transfer to Reserve Fund from Retained Earnings	-	-	-	71.64	(71.64)	-	-	
Balance as at 31 March 2020	1,645.66	45.00	324.50	916.88	2,059.61	-	10,212.01	(15,203.66)
<b>Total comprehensive income for the year</b>								
<b>- Profit</b>	-	-	-	-	<b>(1,282.91)</b>	-	-	<b>(1,282.91)</b>
<b>"- Remeasurement of defined benefit liability / (asset)"</b>	-	-	-	-	<b>2.88</b>	-	-	<b>2.88</b>
<b>"- Revaluation Surplus - net change in fair value of Land"</b>	-	-	-	-	-	<b>4,030.40</b>	-	<b>4,030.40</b>
<b>- Net change in fair value of Equity investments</b>	-	-	-	-	-	-	<b>8,838.60</b>	<b>8,838.60</b>
<b>Total comprehensive income</b>	-	-	-	-	<b>(1,280.03)</b>	<b>4,030.40</b>	<b>8,838.60</b>	<b>11,588.97</b>
<b>Transfer to Reserve Fund from Retained Earnings</b>	-	-	-	<b>67.41</b>	<b>(67.41)</b>	-	-	
<b>Balance as at 31 March 2021</b>	<b>1,645.66</b>	<b>45.00</b>	<b>324.50</b>	<b>984.29</b>	<b>712.17</b>	<b>4,030.40</b>	<b>19,050.61</b>	<b>26,792.63</b>

## Consolidated Statement of Changes in Equity for the year ended 31 March 2021 (Contd.)

**The description of purpose of each reserve mentioned above 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.

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.

**(b) 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.

**(c) 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.

**(d) 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.

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

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2021

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

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Shalini Nopany**

Director

DIN: 00077299

**Mayuri Raja**

Company Secretary

**Deepak Kumar Sharma**

Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended 31 March 2021

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit / (Loss) before tax</b>	<b>(1,248.28)</b>	<b>(159.46)</b>
Adjustments for:		
Interest Income on Security Deposits	(3.82)	(6.31)
Dividend Income on Preference Shares	(13.05)	-
Unspent liabilities, Provision no longer required and Unclaimed balances written back	(13.23)	(11.26)
(Gain) / Loss on sale / discard of Property, Plant and Equipment (net)	(0.57)	1.96
Finance Costs	143.40	71.33
Depreciation expense	35.27	31.55
Loss on Redemption of Preference Shares	3.87	-
Provision for Standard Assets	-	0.80
Provision for Warranties and Claims	15.50	4.81
Provision for bad and doubtful debts and advances	63.00	-
Bad debts, irrecoverable claims and advances written off (net)	-	0.31
	<b>(1,017.91)</b>	<b>(66.27)</b>
Working capital adjustments:		
(Increase) in Receivables	(67.68)	(192.97)
Decrease in Loans	100.00	-
Decrease in Other Financial Assets	11.70	14.34
Decrease / (Increase) in Inventories	489.03	(716.49)
(Increase) in Other Non-financial Assets	(288.78)	(135.32)
(Decrease) / Increase in Payables	(54.86)	467.08
(Decrease) in Financial Liabilities	(6.80)	(37.00)
(Decrease) / Increase in Provisions	(14.36)	5.61
Increase in Other Non-financial Liabilities	79.14	49.05
Cash used in Operations	(770.52)	(611.97)
Income tax paid (net of refund received)	(66.29)	(28.45)
<b>Net Cash used in Operating Activities</b>	<b>(836.81)</b>	<b>(640.42)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Payment for purchase of Investment	-	(215.33)
Proceeds from sale of Property, Plant and Equipment	0.67	2.50
Acquisition of Property, Plant and Equipment	(363.15)	(123.24)
<b>Net Cash used in Investing Activities</b>	<b>(362.48)</b>	<b>(336.07)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Current Borrowings (repayable on demand) (net)	1,342.95	464.63
Repayment of Deposits	(50.00)	(10.00)
Repayment of Lease liabilities	(12.82)	(8.87)
Interest on Lease liabilities paid	(2.42)	(3.13)
Other Interest paid	(128.32)	(48.24)
<b>Net Cash generated from Financing Activities</b>	<b>1,149.39</b>	<b>394.39</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>(49.90)</b>	<b>(582.10)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>716.12</b>	<b>1,298.22</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>666.22</b>	<b>716.12</b>

### Change in Liability arising from financing activities

(₹ in lakhs)

	As on 31 March 2020	Cash Flow	Change in Fair Value	As on 31 March 2021
Borrowings (other than Debt Securities) [Note 16]	728.45	1,342.95	-	2,071.40
Deposits [Note 17]	67.14	(50.00)	(0.53)	16.61
Subordinated Liabilities [Note 18]	230.44	-	9.20	239.64

(₹ in lakhs)

	As on 1 April 2019	Cash Flow	Change in Fair Value	As on 31 March 2020
Borrowings (other than Debt Securities) [Note 16]	263.82	464.63	-	728.45
Deposits [Note 17]	70.71	(10.00)	6.43	67.14
Subordinated Liabilities [Note 18]	216.92	-	13.52	230.44

As per our report of even date attached

 For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2021

For and on behalf of the Board of Directors

**Chand Bihari Patodia**

Managing Director

DIN: 01389238

**Mayuri Raja**

Company Secretary

**Shalini Nopany**

Director

DIN: 00077299

**Deepak Kumar Sharma**

Chief Financial Officer

## Notes to Consolidated Financial Statements for the year ended 31 March 2021

### 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 wholly owned subsidiaries (collectively, the Group), is primarily engaged in investing and dealing etc. in securities and immovable properties except one subsidiary, which is engaged in food processing business. Its shares are listed on the 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.

### 2. Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 12 May 2021.

Details of the Group's significant accounting policies are included in Note 3.

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2021. Significant subsidiaries of the Company are:

Name	Country of incorporation	% ultimate equity interest	
		31 March 2021	31 March 2020
Allahabad Canning Limited	India	100	100
Champaran Marketing Company Limited	India	100	100
Hargaon Investment & Trading Company Limited	India	100	100
OSM Investment & Trading Company Limited	India	100	100
Hargaon Properties Limited	India	100	100

#### 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.
- 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.

Profit or loss and each component of OCI, reflected in these consolidated financial statements are attributed to the equity holders of the Company.



## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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 Presentation of financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) is presented in Note 42.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and / or its counterparties.

### 2.5 Basis of measurement

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.

### 2.6 Use of estimates and judgments

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 Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

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 8 - Determining the fair values of investments.

Note 40 - Determination of ROU assets and liabilities; incremental borrowing rate and lease term.

## Notes to Consolidated Financial Statements

### for the year ended 31 March 2021 (Continued)

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 12 & 13- Useful life and residual value of investment property and property, plant and equipment;

Note 20 - Measurement of defined benefit obligations: key actuarial assumptions;

Note 37 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 44 - Recognition of deferred tax assets: availability of future taxable profit and income tax liabilities thereon against which carried forward tax losses / unabsorbed depreciation can be used;

Note 45 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

#### 2.7 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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 are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.6.

### 3. Significant 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 or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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

#### i) Financial assets

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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 asset is measured at amortised cost if it meets 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 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.

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.

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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 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 Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 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.

#### 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

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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 trade 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 trade 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 short-falls (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.

#### **(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.

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### (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 Company 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.

### 3.3 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realisable value. However, these items are considered to be realisable 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 realisable 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.

Saleable scraps, whose cost is not identifiable, are valued at estimated net realisable value.

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.

Assessment of net realisable 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 realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

## Notes to Consolidated Financial Statements

### for the year ended 31 March 2021 (Continued)

#### 3.4 Investment property

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.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. 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 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 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 equipments.

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.

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



## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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 Capital work-in-progress (CWIP)

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the reporting date. Directly attributable expenditure (including finance costs relating to borrowed funds / general borrowings for construction or acquisition of property, plant and equipment) incurred on project under implementation are treated as Pre-operative expenses pending allocation to the asset and are shown under CWIP.

### 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.

#### (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.

#### 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). 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.

## Notes to Consolidated Financial Statements

### for the year ended 31 March 2021 (Continued)

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.

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

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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 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.

### 3.10 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.

### 3.11 Recognition of income and expenses

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

- Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5:** Recognise revenue when (or as) the Group satisfies a performance obligation.

#### 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.

## Notes to Consolidated Financial Statements

### for the year ended 31 March 2021 (Continued)

#### Expenses

All expenses are accounted for on accrual basis.

#### 3.12 Recognition of interest income

##### The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

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

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

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.

#### 3.13 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 2021 (Continued)

### 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 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.

### 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 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.

## Notes to Consolidated Financial Statements

### for the year ended 31 March 2021 (Continued)

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 Recent accounting pronouncement

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III are applicable from financial year commencing from 1 April 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

##### Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of receivables and payables.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

##### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive, and the Group will evaluate the same to give effect to them as required by law.

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 4. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.52	2.74
Balances with banks		
- Current accounts	110.70	106.32
Cheques on hand	-	0.10
Bank deposits having maturity of three months or less of original maturities	555.00	606.96
	666.22	716.12

### 5. Other bank balances

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits due to mature after three months of original maturities but not more than twelve months of the reporting date	2.07	8.80
	2.07	8.80

### 6. Receivables

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Receivables		
Considered good - Secured	-	16.63
Considered good - Unsecured	753.96	724.20
Considered doubtful - Unsecured	64.00	1.00
	817.96	741.83
Less: Provision for doubtful debts	64.00	1.00
	753.96	740.83
Other Receivables		
Considered good - Unsecured	-	8.45
	-	8.45
	753.96	749.28

- (a) 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.
- (b) Trade receivable are hypothecated against borrowings [Note 16].
- (c) Information about the Group's exposure to credit risks and loss allowances related to debts are disclosed in Note 45(C).

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 7. Loans

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
At amortised cost		
Inter-corporate deposits (unsecured)	800.00	900.00
	800.00	900.00

### 8. Investments

(₹ in lakhs)

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2021	As at 31 March 2020
<b>Equity shares (fully paid) carried at FVOCI - Quoted</b>				
Sutlej Textiles & Industries Ltd.	2,66,00,260	1.00	10,440.60	5,213.65
SIL Investments Ltd.	17,58,125	10.00	3,420.43	1,405.62
Avadh Sugar & Energy Ltd.	8,59,662	10.00	1,593.81	1,015.69
Magadh Sugar & Energy Ltd.	12,78,075	10.00	1,304.28	838.42
Chambal Fertilisers & Chemicals Ltd.	4,39,134	10.00	1,005.84	474.71
Ganges Securities Ltd.	10,14,205	10.00	598.38	219.07
New India Retailing & Investment Ltd.	266,874	10.00	80.06	80.06
			18,443.40	9,247.22
<b>Equity shares (fully paid) carried at FVOCI - Unquoted</b>				
SCM Investment & Trading Company Ltd.	37,50,000	10.00	1,605.75	2,272.50
Manbhawani Investment Ltd.	67,500	10.00	858.25	982.33
Shree Vihar Properties Ltd.	7,47,692	10.00	672.92	194.77
Manavta Holdings Ltd.	72,000	10.00	463.54	551.40
Moon Corporation Ltd. - 'A' Class	745	100.00	38.27	5.21
Birla Building Ltd.	1,920	100.00	14.25	7.97
Moon Corporation Ltd. - 'B' Class	2,502	5.00	6.43	0.87
The Oudh Trading Company Pvt. Ltd.	25	100.00	5.80	2.34
Modern Diagen Services Ltd.	23,752	10.00	4.14	4.03
India Educational & Research Institution Pvt. Ltd.	24,500	10.00	2.39	1.66
Bihar State Financial Corporation Ltd.	70	100.00	-	-
Taparia Ltd.	3,500	10.00	-	-
			3,671.74	4,023.08
<b>Equity shares (partly paid) carried at FVOCI - Unquoted</b>				
- Modern Diagen Services Ltd. (partly paid by ₹ 2 each)	15,45,044	10.00	53.92	52.38
			53.92	52.38
<b>Preference shares (fully paid) carried at FVOCI - Unquoted</b>				
8.5% non-convertible redeemable preference shares of Ganges Securities Ltd.	34,800	100.00	36.19	-
12% non-convertible redeemable preference shares of Ganges Securities Ltd.	21,750	100.00	-	34.79
			36.19	34.79



## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 8. Investments (Contd.)

(₹ in lakhs)

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2021	As at 31 March 2020
<b>Government securities (fully paid) carried at amortised cost - Unquoted</b>				
6 Years National Savings Certificates			0.01	0.01
			0.01	0.01
			22,205.26	13,357.48
<b>Investments outside India</b>	-	-		
<b>Investments in India</b>			22,205.26	13,357.48
			22,205.26	13,357.48

- (a) The Group received dividends of ₹ 240.42 lakhs (31 March 2020: ₹ 258.69 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 2020-21 and there were no transfer of any cumulative gain or loss within equity relating to these investments except allotment of 34,800 8.5% NCCRPS of ₹ 100 each in lieu of redemption of 21,750 12% NCCRPS of ₹ 100 each together with unpaid dividend thereon held by a subsidiary pursuant to the order of National Law Tribunal, Allahabad, Uttar Pradesh passed on 24 September 2020.
- (d) The Company had received an offer for subscribing upto 12,08,305 equity shares on rights basis of Allahabad Canning Limited, a wholly owned subsidiary. The fresh issue comprised of equity shares of ₹ 10 each at a premium of ₹ 65.80 each was amounting to ₹ 915.90 lakhs. The entire offer has been renounced in favour of its other wholly owned subsidiaries namely Hargaon Investment & Trading Company Limited, OSM Investment & Trading Company Limited and Champaran Marketing Company Limited.
- (e) The cost of following unquoted investments in equity shares (fully paid up) had been written off in earlier years, though quantity thereof appears in the books:

Name of the company	No. of shares	Face Value per share (in ₹)
Chandausi Rice Mills Ltd. (Strike off)	1,000	10.00
Lease Communications Ltd. (Strike off)	21,000	10.00
Maruti Ltd. (Strike off)	10,000	10.00
Swadeshi Jute Machinery Corporation Ltd. (Strike off)	15,000	10.00

### 9. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits due to mature after twelve months of the reporting date *	0.80	0.80
<i>At amortised cost</i>		
Security and Other Deposits	28.37	18.35
Interest accrued on inter-corporate deposits	5.34	17.16
Interest accrued on bank deposits	2.44	5.61
	36.95	41.92

\* Pledged / lodged with various Government Authorities.

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 10. Inventories

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<i>(Value at lower of cost and net realisable value)</i>		
Raw materials	27.43	87.18
Work-in-progress	95.13	89.34
Finished goods	624.95	1,031.15
Stock-in-trade	592.07	609.92
Stores, chemicals and spare parts	225.70	236.72
	1,565.28	2,054.31

a) ₹ 319.55 lakhs (31st March, 2020: ₹ 70.06 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 30].

b) Inventories are hypothecated against borrowings [Note 16].

### 11. Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax and tax deducted / collected at sources	126.37	60.06
Less: Provision for taxation	85.22	50.57
	41.15	9.49

### 12. 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 2019	9.89	37.05	46.94
Additions during the year	-	-	-
Disposals / discard during the year	-	0.80	0.80
Balance at 31 March 2020	9.89	36.25	46.14
Additions during the year	-	-	-
Disposals / discard during the year	-	-	-
<b>Balance at 31 March 2021</b>	<b>9.89</b>	<b>36.25</b>	<b>46.14</b>
<b>Accumulated depreciation</b>			
Balance at 1 April 2019	-	2.26	2.26
Depreciation for the year	-	2.36	2.36
Disposals / discard during the year	-	0.01	0.01
Balance at 31 March 2020	-	4.61	4.61

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Particulars	Freehold Land	Buildings	Total
Depreciation for the year	-	2.13	2.13
Disposals / discard during the year	-	-	-
Balance at 31 March 2021	-	6.74	6.74
Carrying amount (net)			
At 31 March 2020	9.89	31.64	41.53
At 31 March 2021	9.89	29.51	39.40
Fair value of the above-mentioned investment property is as under:			(₹ in lakhs)
Particulars		As at 31 March 2021	As at 31 March 2020
Freehold Land		546.04	530.13
Buildings		29.51	31.64
Total		575.55	561.77

The amounts recognised in profit or loss for:

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) Rental income from investment property	35.02	36.57
(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	2.73	1.28
(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	6.33	8.22

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Right-of-use assets [Note 42]	Total
<b>Reconciliation of carrying amount</b>									
<b>Cost or deemed cost</b>									
<b>(gross carrying amount)</b>									
Balance at 1 April 2019	108.30	79.00	70.28	4.13	1.65	10.45	0.25	-	274.06
Additions during the year	-	-	1.42	16.08	1.75	-	1.69	39.14	60.08
Disposals / discard during the year	-	-	-	-	-	4.91	-	-	4.91
Balance at 31 March 2020	108.30	79.00	71.70	20.21	3.40	5.54	1.94	39.14	329.23
Additions during the year	4,030.40	118.82	246.97	10.18	0.37	-	1.01	-	4,407.75
Disposals / discard during the year	-	-	0.85	-	-	-	-	-	0.85
<b>Balance at 31 March 2021</b>	<b>4,138.70</b>	<b>197.82</b>	<b>317.82</b>	<b>30.39</b>	<b>3.77</b>	<b>5.54</b>	<b>2.95</b>	<b>39.14</b>	<b>4,736.13</b>
<b>Accumulated depreciation</b>									
Balance at 1 April 2019	-	1.68	10.78	0.62	0.19	1.38	0.05	-	14.70
Depreciation for the year	-	1.90	11.49	3.28	0.24	1.20	0.21	10.87	29.19
Disposals / discard during the year	-	-	-	-	-	1.24	-	-	1.24
Balance at 31 March 2020	-	3.58	22.27	3.90	0.43	1.34	0.26	10.87	42.65
Depreciation for the year	-	1.69	9.31	7.22	0.70	0.79	0.38	13.05	33.14
Disposals / discard during the year	-	-	0.75	-	-	-	-	-	0.75
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>5.27</b>	<b>30.83</b>	<b>11.12</b>	<b>1.13</b>	<b>2.13</b>	<b>0.64</b>	<b>23.92</b>	<b>75.04</b>
<b>Carrying amount (net)</b>									
At 31 March 2020	108.30	75.42	49.43	16.31	2.97	4.20	1.68	28.27	286.58
<b>At 31 March 2021</b>	<b>4,138.70</b>	<b>192.55</b>	<b>286.99</b>	<b>19.27</b>	<b>2.64</b>	<b>3.41</b>	<b>2.31</b>	<b>15.22</b>	<b>4,661.09</b>

(a) Fair Value Revaluation model has been adopted by a subsidiary for valuing its land and ₹ 4,030.40 lakhs represents net change in carrying amount prior adoption of revaluation model and fair value determined by independent valuer.

(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 2021 (Continued)

### 14. Other Non-financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good)		
<b>Capital Advances</b>	<b>6.50</b>	102.30
<b>Advances other than Capital Advances</b>		
Advances to suppliers	<b>457.37</b>	263.09
Other advances		
- Claims and refunds receivable	<b>3.44</b>	4.10
- Balance with Government Authorities	<b>129.46</b>	33.42
- Deposits against demand under appeal and / or under dispute	<b>1.50</b>	1.50
- Prepaid Expenses	-	0.88
	<b>598.27</b>	405.29

### 15. Payables

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises; and	<b>80.12</b>	40.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>830.92</b>	938.16
	<b>911.04</b>	979.13

The Group's exposure to currency and liquidity risks related to trade payable are disclosed in Note 45(C).

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

The following details relating to Micro enterprises and small enterprises are as under:

### 15. Payables (Contd.)

(₹ in lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
(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	80.12	40.97
	Interest due on above	-	-
	Total	80.12	40.97
(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.	-	-

### 16. Borrowings (Other than Debts Securities)

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Secured</b>		
From a bank (repayable on demand)		
Cash credit	2,071.40	728.45
	2,071.40	728.45

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 Allahabad Canning Limited, a subsidiary of the Company, and also by way of first charge created on the movable property, plant and equipment, both present and future, of the same subsidiary.

### 17. Deposits

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
At amortised cost		

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Security deposits taken against investment property	16.61	67.14
	16.61	67.14

### 18. Subordinated Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 10 each at amortised cost	239.64	230.44
	239.64	230.44

#### Rights, preferences and restrictions attached to 8.5% NCCRPS of ₹ 10 each:

The NCCRPS of ₹ 10 each carries dividend @ 8.50% per annum. The NCCRPS shall be redeemable at par on 2 August 2023 being twelve years and one day from the date of the original allotment i.e. 1 August 2011 with a right vested to the Board of Directors to redeem it earlier, subject to consent of the lenders. The dividend is payable at the time of redemption of the NCCRPS. However, the Board reserves the right to pay dividend earlier subject to the availability of the profit.

### 19. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade and other deposits	56.78	45.79
Lease liabilities [Note 40]	17.45	30.27
Payable to employees	34.63	52.42
Liabilities for Capital Goods	2.31	16.58
	111.17	145.06

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 20. Provisions

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Provision for employee benefits</b>		
Net defined benefit liability - Gratuity	53.18	62.51
Liability for compensated absences	35.38	38.45
	88.56	100.96
<b>Other Provisions</b>		
For standard assets	15.12	15.12
For warranties and claims	15.47	4.81
	30.59	19.93
	119.15	120.89
<b>Reconciliation of Other Provisions:</b>		
	<b>Other Provisions for</b>	
	Standard assets	Warranties and claims
Balance at 1 April 2019	14.32	4.23
Provided during the year	0.80	4.81
Utilised / Written back during the year		4.23
Balance at 31 March 2020	15.12	4.81
Provided during the year	-	<b>15.50</b>
Utilised / Written back during the year	-	<b>4.84</b>
Balance at 31 March 2021	<b>15.12</b>	<b>15.47</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) Provision for warranties and claims is required if sale of goods are under warranty as per Ind AS 115 "Revenue from Contracts with Customers".

#### 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.



## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### Net defined benefit liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligations	105.88	153.22
Fair value of plan assets	52.70	90.71
Net defined benefit liabilities	53.18	62.51

These defined benefit plans expose the subsidiary to actuarial risks, such as currency risk, interest risk and market (investment) risk.

The subsidiary expects to contribute ₹ 20.65 lakhs 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.

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 2021	As at 31 March 2020
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the beginning of the year	153.22	133.15
(b) Service cost	13.18	9.72
(b) Past service cost	-	-
(c) Interest cost	10.11	9.72
(d) Benefits paid	(67.31)	(5.10)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	1.38	5.70
- due to change in demographic assumptions	-	-
- due to experience changes	(4.70)	0.03
Balance at the end of the year	105.88	153.22
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the beginning of the year	90.71	78.50
(b) Actual return on plan assets	5.54	6.92
(c) Contributions by the employer	23.76	10.39
(d) Benefits paid	(67.31)	(5.10)
Balance at the end of the year	52.70	90.71
<b>(iii) Actuarial gain / (loss) on plan assets</b>		

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(₹ in lakhs)

Particulars		As at 31 March 2021	As at 31 March 2020
(a)	Expected Interest Income	5.98	5.73
(b)	Actual return on plan assets	5.54	6.92
	Actuarial gain / (loss) on plan assets	(0.44)	1.19
<b>(iv)</b>	<b>Expense recognised in Employee benefits expenses</b>		
(a)	Service cost	13.18	9.72
(b)	Past service cost	-	-
(b)	Interest cost	10.11	9.72
(c)	Interest income	(5.98)	(5.73)
	Amount charged to Employee benefits expenses	17.31	13.71
<b>(v)</b>	<b>Remeasurement recognised in Other Comprehensive Income</b>		
(a)	Actuarial loss on defined benefit obligations	3.32	(5.73)
(b)	Actuarial loss on plan assets	(0.44)	1.19
	Amount recognised in Other Comprehensive Income	2.88	(4.54)
<b>(vi)</b>	<b>Plan assets</b>		
	Plan assets comprise of the following:		
(a)	Investments with LIC	100%	100%
<b>(vii)</b>	<b>Actuarial assumptions</b>		
	Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a)	Discount rate	6.43%	6.60%
(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).

### (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 31st March, 2021		As at 31st March, 2020	
		Increase	Decrease	Increase	Decrease
(a)	Discount rate (0.50% movement)	3.99	(4.26)	4.36	(4.11)
(b)	Future salary growth (1% movement)	(8.52)	7.56	(7.54)	8.37
(c)	Withdrawal assumption (4% movement)	(1.17)	0.48	(0.65)	2.49

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.

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### (ix) Maturity profile of defined benefit obligations (valued on undiscounted basis)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within the next 12 months (next annual reporting period)	6.96	17.99
Between 1 and 2 years	1.14	1.73
Between 2 and 3 years	26.03	67.41
Between 3 and 4 years	5.18	2.71
Between 4 and 5 years	4.93	5.09
Beyond 5 years	148.78	145.48
	193.02	240.41

### 21. Other Non-financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	135.01	62.25
Statutory dues	36.69	30.31
Deferred income on security deposits	3.33	3.16
	175.03	95.72

### 22. Share Capital

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised:		
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
	1,500.00	1,500.00
<b>Issued, subscribed and fully paid-up:</b>		
1,00,03,102 equity shares of ₹ 10 each	1,000.31	1,000.31
	1,000.31	1,000.31

13,00,000 8.5% Non-convertible Cumulative Redeemable Preference Shares of ₹ 10 each issued are classified as Subordinated Liabilities. [Note 18]

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Equity shares				
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.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

### (c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	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>				
Uttar Pradesh Trading Co. Limited	1,283,234	12.83	1,283,234	12.83
SCM Investment & Trading Co. Limited	1,078,958	10.79	1,078,958	10.79
New India Retailing & Investment Limited	1,071,532	10.71	1,071,532	10.71
RTM Investment & Trading Co. Limited	904,951	9.05	904,951	9.05
Deepshikha Trading Co. Private Limited	688,741	6.89	559,129	5.59
Sonali Commercial Limited	512,658	5.12	refer note given below	
<b>NCCRPS of ₹ 10 each fully paid up held by</b>				
Sutlej Textiles & Industries Limited	1,300,000	100.00	1,300,000	100.00

Note: As on 31 March 2020: shareholding of Sonali Commercial Limited in the Company's equity shares was not more than 5%.

### (d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
<i>Issued pursuant to the scheme of arrangement:</i>					
Equity shares of ₹ 10 each allotted as fully paid-up	-	-	-	-	1,00,03,102.00
Preference shares of ₹ 10 each allotted as fully paid-up	-	-	-	-	13,00,000.00

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 23. Other Equity

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Capital Reserve</b>		
Balance at the beginning and at the end of the year	1,645.66	1,645.66
<b>Capital Redemption Reserve</b>		
Balance at the beginning and at the end of the year	45.00	45.00
<b>General Reserve</b>		
Balance at the beginning and at the end of the year	324.50	324.50
<b>Reserve Fund</b>		
Balance at the beginning of the year	916.88	845.24
Add: Transfer from Retained Earnings	67.41	71.64
Balance at the end of the year	984.29	916.88
<b>Retained Earnings</b>		
Balance at the beginning of the year	2,059.61	2,329.32
Add / (Less) : Profit / (Loss) for the year	(1,282.91)	(193.53)
Add / (Less) : Remeasurement of defined benefit liability / (asset)	2.88	(4.54)
Less: Transfer to Reserve Fund	(67.41)	(71.64)
Balance at the end of the year	712.17	2,059.61
<b>Revaluation Surplus - Land through OCI</b>		
Balance at the beginning of the year	-	-
Net change in fair value during the year	4,030.40	-
Balance at the end of the year	4,030.40	-
<b>Equity Instruments through OCI</b>		
Balance at the beginning of the year	10,212.01	18,946.25
Net change in fair value during the year	8,838.60	(8,734.24)
Balance at the end of the year	19,050.61	10,212.01
	26,792.63	15,203.66

### 24. Interest Income

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<i>On financial assets measured at amortised cost</i>		
Interest on inter-corporate deposit	73.12	76.71
Interest on bank deposits	19.35	67.02
Interest on security deposits	3.82	6.31
	96.29	150.04

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 25. Sale of Products

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Finished goods	3,084.72	2,668.68
Stock-in-trade	2,741.49	1,680.35
Gross Revenue from Sale of Products *	5,826.21	4,349.03
Less: Claims, Rebates, etc.	309.43	202.97
	5,516.78	4,146.06
Scrap sales	2.46	12.69
	5,519.24	4,158.75

\*Net of sales return and damaged goods.

**Nature of goods:** The above relates to a subsidiary, Allahabad Canning Limited, engaged in food processing business and the same is only its reportable primary segment.

### 26. Other Income

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on refund from income tax department	0.29	0.67
Unspent liabilities, Provision no longer required and Unclaimed balances written back	13.23	11.26
Gain on sale / discard of Property, plant and equipment (net)	0.57	-
Miscellaneous income *	-	-
	14.09	11.93

\* During the current year, amount, being less than ₹ 500. has been shown as “-”.

### 27. Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<i>On financial liabilities measured at amortised cost:</i>		
Interest on Borrowings (other than securities)	128.32	47.76
Interest on Deposits	3.46	6.44
Interest on Subordinated Liabilities	9.20	13.52
Interest on Lease Liabilities [Note 40]	2.42	3.13
Interest on income tax	-	0.48
	143.40	71.33

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 28. Fees and Commission Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Listing and other regulatory fees	7.36	7.40
ROC fees	0.57	0.24
	7.93	7.64

### 29. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Inventory of materials at the beginning of the year	87.18	24.64
Add: Purchases and procurement expenses	946.77	1,128.56
	1,033.95	1,153.20
Less: Inventory of materials at the end of the year	27.43	87.18
	1,006.52	1,066.02

### 30. Changes in Inventories of finished goods, stock-in-trade and work-in-progress

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Inventories at the end of the year</b>		
Finished goods	624.95	1,031.15
Work-in-progress	95.13	89.34
Stock-in-trade	592.07	609.92
	1,312.15	1,730.41
<b>Inventories at the beginning of the year</b>		
Finished goods	1,031.15	778.96
Work-in-progress	89.34	86.76
Stock-in-trade	609.92	283.24
	1,730.41	1,148.96
	418.26	(581.45)

### 31. Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages, bonus etc.	1,267.49	832.35
Contribution to provident and other funds *	96.65	76.36
Expenses related to post-employment defined benefit plans [Note 20]	17.31	13.71
Staff welfare expenses	33.76	22.07
	1,415.21	944.49

\* represents defined contribution plan of a subsidiary.

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 32. Depreciation Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Investment property [Note 12]	2.13	2.36
Depreciation on Property, plant and equipment [Note 13]	33.14	29.19
	35.27	31.55

### 33. Other Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spares	105.73	94.31
Packing materials consumed	844.94	769.13
Repairs and maintenance	44.06	27.88
Rent, tax and energy costs	106.84	100.16
Communication costs	18.12	12.15
Printing and stationery	7.09	7.75
Advertisement and publicity	0.92	0.85
Director's sitting fees [Note 43]	1.43	1.38
Payment to auditors [refer note given below]	12.24	9.54
Legal and professional charges	82.36	50.33
Service charges	12.92	12.92
Insurance	16.95	11.90
Freight and forwarding charges	327.20	224.85
Other selling expenses	182.87	100.16
Loss on sales / discard of fixed assets (net)	-	1.96
Loss on redemption of preference shares	3.87	-
Provision for standard assets	-	0.80
Provision for warranties and claims	15.50	4.81
Provision for bad and doubtful debts and advances	63.00	-
Bad debts, irrecoverable claims and advances written off (net)	-	0.31
Miscellaneous expenses	195.14	179.24
	2,041.18	1,610.43



## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
As Auditors		
- Statutory audit	6.39	4.64
- Limited review of quarterly results	2.63	2.81
<b>In other capacity</b>		
- For certificates and other services	2.95	1.91
<b>Reimbursement of expenses</b>	<b>0.27</b>	0.18
	<b>12.24</b>	9.54

### 34. Tax expense

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Current tax</b>	34.65	39.57
<b>Provision for tax related to earlier year</b>	-	0.02
<b>Provision for tax related to earlier year no longer required written back</b>	(0.02)	(5.52)
<b>Deferred tax</b>		
Attributable to origination and reversal of temporary differences	-	-
	<b>34.63</b>	34.07

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### Reconciliation of tax expense

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit / (Loss) before tax	(1,248.28)	(159.46)
Tax using the Group's domestic tax applicable rates	(327.63)	(28.89)
Tax effect of:		
- Deferred tax expense (net of deferred tax credit) adjusted with deferred tax assets not recognised	387.86	31.58
- Tax benefits lapsed due to exercise the option available under Section 115BAA of the Income Act, 1961	-	39.45
- Impact of reduction in tax rate due to exercising option available under Section 115BAA of the Income Tax Act, 1961	-	47.67
- Interest expense on Preference shares classified as subordinated liability not deductible for tax purposes	2.32	3.09
- Excess provision for tax made during the year	-	0.41
- Provision for tax related to earlier years	(53.72)	0.02
- Provision related to earlier years no longer required written back	-	(5.52)
- Other permanent differences	25.80	(53.74)
Total tax expense	34.63	34.07

### 35. 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 2021	Year ended 31 March 2020
(i)	Profit attributable to equity shareholders (₹ in lakhs)	(1,282.91)	(193.53)
(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)	Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]		
	Basic and Diluted (₹)	(12.83)	(1.93)
	There is no dilutive potential equity share.		

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 36. Capital and Other Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) ₹ 15.00 lakhs (31 March 2020: ₹ 125.00 lakhs).

### 37. Contingent Liabilities (to the extent not provided for)

(₹ in lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
(a)	Demands / claim by various Government authorities and others not acknowledged as debts and contested by a subsidiary, Allahabad Canning Limited:		
	(i) Sales tax	1.65	1.65
	(ii) Others	8.25	8.25
		9.90	9.90
(b)	In case of a subsidiary, Allahabad Canning Limited, Bank Guarantees, Letter of Credits, etc. outstanding	284.23	236.34
(c)	In case of subsidiaries, Champaran Marketing Company Limited, Hargaon Investment & Trading Company Limited and OSM Investment & Trading Company Limited, Uncalled Capital on partly paid shares held as investment	123.60	123.60

38. Allahabad Canning Limited, a subsidiary of the Company, is incurring losses which has eroded its net worth and its current liabilities exceeded its current assets as on balance sheet date. Based on the positive outlook of the management towards the growth of Allahabad Canning Limited and its ability to continue as a going concern in the foreseeable future, the financial information of Allahabad Canning Limited have been considered in these consolidated financial statements on a going concern basis.

39. The possible impacts of COVID-19, if any, have been considered in these financial statements, including internal and external factors known upto the date of approval of these financial statements, to assess the carrying amount of assets and liabilities of the Group. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes in future economic conditions.

### 40. Lease

#### As Lessee

A subsidiary has lease contracts for various items of buildings (including godowns), vehicles and other equipment used in its operations. The Company's obligation under its lease are secured by lessor's title to the leased assets.

A subsidiary also has certain leases of godowns and vehicles with lease term of twelve months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amount of right-of-use assets (Buildings) recognised and its movements during the year are disclosed in Note 13.

The carrying amount of lease liabilities included in Note 19 and its movements during the year are as under:

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	30.27	-
Additions during the year	-	39.14
Finance cost accrued during the year	2.42	3.13
Payment of lease liabilities for the year	(15.24)	(12.00)
<b>Balance at the end of the year</b>	<b>17.45</b>	<b>30.27</b>

The maturity analysis of lease liabilities on an undiscounted basis are as under:

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	16.31	15.24
One to two years	2.74	16.31
Two to five years	-	2.74
More than five years	-	-
<b>Total</b>	<b>19.05</b>	<b>34.29</b>

Lease liabilities is being measured by discounting the lease payments using incremental borrowing rate i.e. 8% p.a.

The followings are the amounts recognised during the year in profit or loss:

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on right-of-use assets [Note 13]	13.05	10.87
Interest on lease liabilities [Note 27]	2.42	3.13
Expenses relating to short-term and low-value leases [Note 33]	8.65	2.35

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 2021 (Continued)

### 41. 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.

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations, if any.

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Revenue from operations</b>		
Investing Business	335.57	407.70
Food Processing Business	5,520.38	4,159.78
	<b>5,855.95</b>	<b>4,567.48</b>
<b>Segment results</b>		
Investing Business	319.04	395.78
Food Processing Business	(1,410.53)	(473.66)
	<b>(1,091.49)</b>	<b>(77.88)</b>
Less: Finance costs	143.40	71.33
Less: Other unallocable expenditure (net of unallocable income)	13.39	10.25
<b>Profit / (Loss) before tax</b>	<b>(1,248.28)</b>	<b>(159.46)</b>
<b>Other segment information</b>		
Capital expenditure - Property, Plant and Equipment		
Investing Business	-	-
Food Processing Business	4,407.75	60.08
	<b>4,407.75</b>	<b>60.08</b>
<b>Depreciation</b>		
Investing Business	2.14	2.37
Food Processing Business	33.13	29.18
	<b>35.27</b>	<b>31.55</b>

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Segment assets</b>		
Investing Business	23,162.42	14,439.76
Food Processing Business	7,567.19	3,405.43
Unallocable Assets	707.37	725.61
<b>Total assets</b>	<b>31,436.98</b>	<b>18,570.80</b>
<b>Segment liabilities</b>		
Investing Business	46.17	116.74
Food Processing Business	1,269.38	1,291.20
Unallocable Liabilities	2,328.49	958.89
<b>Total liabilities</b>	<b>3,644.04</b>	<b>2,366.83</b>

#### 42. 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 2021		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	666.22	-	666.22
Bank Balances other than Cash and Cash Equivalents	2.07	-	2.07
Receivables	753.96	-	753.96
Loans	800.00	-	800.00
Investments	-	22,205.26	22,205.26
Other Financial Assets	20.50	16.45	36.95
<i>Non-financial Assets:</i>			
Inventories	1,565.28	-	1,565.28
Current Tax Assets (net)	41.15	-	41.15
Investment Property	-	39.40	39.40
Property, Plant and Equipment	-	4,661.09	4,661.09
Capital Work-in-Progress	-	67.33	67.33
Other Non-financial Assets	590.27	8.00	598.27
<b>Total Assets</b>	<b>4,439.45</b>	<b>26,997.53</b>	<b>31,436.98</b>
<i>Financial Liabilities:</i>			
Payables	911.04	-	911.04
Borrowings (Other than Debt Securities)	2,071.40	-	2,071.40
Deposits	-	16.61	16.61
Subordinated Liabilities	-	239.64	239.64

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Particulars	As at 31 March 2021		
	Within twelve months	After twelve months	Total
Other Financial Liabilities	51.85	59.32	111.17
<i>Non-financial Liabilities:</i>			
Provisions	72.93	46.22	119.15
Other Non-financial Liabilities	173.03	2.00	175.03
Total Liabilities	3,280.25	363.79	3,644.04
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>1,159.20</b>	<b>26,633.74</b>	<b>27,792.94</b>

(₹ in lakhs)

Particulars	As at 31 March 2020		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	716.12	-	716.12
Bank Balances other than Cash and Cash Equivalents	8.80	-	8.80
Receivables	749.28	-	749.28
Loans	900.00	-	900.00
Investments	-	13,357.48	13,357.48
Other Financial Assets	23.85	18.07	41.92
<i>Non-financial Assets:</i>			
Inventories	2,054.31	-	2,054.31
Current Tax Assets (net)	9.49	-	9.49
Investment Property	-	41.53	41.53
Property, Plant and Equipment	-	286.58	286.58
Other Non-financial Assets	263.97	141.32	405.29
Total Assets	4,725.82	13,844.98	18,570.80
<i>Financial Liabilities:</i>			
Payables	979.13	-	979.13
Borrowings (Other than Debt Securities)	728.45	-	728.45
Deposits	67.14	-	67.14
Subordinated Liabilities	-	230.44	230.44
Other Financial Liabilities	134.79	10.27	145.06
<i>Non-financial Liabilities:</i>			
Provisions	76.37	44.52	120.89
Other Non-financial Liabilities	95.72	-	95.72
Total Liabilities	2,081.60	285.23	2,366.83
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>2,644.22</b>	<b>13,559.75</b>	<b>16,203.97</b>

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 43. 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 placed 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 during the year

Key management personnel	Mrs. Shalini Nopany	– Chairperson / Non-Executive Director
	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 (w.e.f. 7 February 2020)
	Mr. Bal Kishore Malpani	– Non-Executive Director (from 10 August 2018 to 3 March 2020)
	Mr. Chand Bihari Patodia	– Managing Director
	Mr. Deepak Kumar Sharma	– Chief Financial Officer
	Ms. Mayuri Raja	– Company Secretary
	Mr. Abhay Andhare	– Chief Financial Officer of a subsidiary (w.e.f. 10 February 2021)
	Mr. Santosh Srivastava	– Chief Financial Officer of a subsidiary (upto 10 February 2021)

#### 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	2021	0.20	-
	2020	0.15	-
Mr. Arun Kumar Newar	2021	0.45	-
	2020	0.45	-
Mr. Chhedi Lal Agarwal	2021	0.45	-
	2020	0.45	-
Mr. Dinesh Kacholia	2021	0.23	-
	2020	0.23	-
Mr. Suresh Kumar Khandelia	2021	0.10	-
	2020	-	-
Mr. Bal Kishore Malpani	2021	-	-
	2020	0.10	-



## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### b. Remuneration to key managerial personnel

#### (i) Short term employee benefits

(₹ in lakhs)

Particulars	Year ended 31 March	Transaction during the year	Amount owed to related parties
Mr. Abhay Andhare	<b>2021</b>	13.82	-
	2020	-	-
Mr. Santosh Srivastava*	<b>2021</b>	19.80	-
	2020	20.24	-

\* Excluding ₹ 2.12 lakhs (31 March 2020: ₹ 2.12 lakhs) value of perquisites determined under the provisions of Income Tax Act, 1961.

#### (ii) 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 for a subsidiary.

### 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 either during the year ended 31 March 2021 or year ended 31 March 2020.
- (ii) Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note 8.

### 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 2021, 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.
44. The Group has recognised deferred tax asset on carried forward business losses, unabsorbed depreciation, other timing differences and net change in fair value of investments at FVOCI from admissible cost of the same as per the provisions of the Income Tax Act, 1961 to the extent of deferred tax liability as per the Group's Accounting Policies (refer Note 3.13).

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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

(₹ in lakhs)

Particulars	As at 31 March 2020	Recognised in profit or loss	Recognised in OCL	As at 31 March 2021
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	415.01	365.94	-	780.95
Investments - Quoted	3,776.86	-	(1,051.50)	2,725.36
Provision for employee's benefits	23.52	(0.89)	(0.52)	22.11
Other provisions	5.13	19.33	-	24.46
Deduction of disallowances allowed on payment basis	5.33	4.32	-	9.65
	4,225.85	388.70	(1,052.02)	3,562.53
Less : Deferred tax assets not recognised	3,848.02	387.86	(948.67)	3,287.21
	377.83	0.84	(103.35)	275.32
<b>Deferred tax liabilities</b>				
Investments - Unquoted	364.42	-	(103.35)	261.07
Investment Property	7.24	(7.24)	-	-
"Property, plant and equipment (including Right of use - Assets and Lease Liabilities)"	6.17	8.08	-	14.25
	377.83	0.84	(103.35)	275.32
<b>Net deferred tax assets</b>	-	-	-	-

(₹ in lakhs)

Particulars	As at 1 April 2019	Recognised in profit or loss	Recognised in OCL	As at 31 March 2020
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	386.65	28.36	-	415.01
MAT credit entitlement	1.63	(1.63)	-	-
Investments - Quoted	2,702.05	-	1,074.81	3,776.86
Provision for employee's benefits	22.88	(0.31)	0.95	23.52
Other provisions	6.14	(1.01)	-	5.13
Deduction of disallowances allowed on payment basis	2.13	3.20	-	5.33
	3,121.48	28.61	1,075.76	4,225.85
Less : Deferred tax assets not recognised	2,733.35	31.58	1,083.09	3,848.02
	388.13	(2.97)	(7.33)	377.83
<b>Deferred tax liabilities</b>				
Investments - Unquoted	371.75	-	(7.33)	364.42
Investment Property	9.05	(1.81)	-	7.24
Property, plant and equipment	7.33	(1.16)	-	6.17
	388.13	(2.97)	(7.33)	377.83
<b>Net deferred tax assets</b>	-	-	-	-

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

### 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 2021</b>					
<b>Financial assets</b>					
Investments - Quoted	-	18,443.40	-	18,443.40	18,443.40
Investments - Unquoted	-	3,761.85	-	3,761.85	3,761.85
Cash and cash equivalents	-	-	666.22	666.22	666.22
Bank Balances other than Cash and cash equivalents	-	-	2.07	2.07	2.07
Receivables	-	-	753.96	753.96	753.96
Loans	-	-	800.00	800.00	800.00
Investment in Government Securities	-	-	0.01	0.01	0.01
Other financial assets	-	-	36.95	36.95	36.95
	-	22,205.25	2,259.21	24,464.46	24,464.46
<b>Financial liabilities</b>					
Payables	-	-	911.04	911.04	911.04
Borrowings (Other than Debts Securities)	-	-	2,071.40	2,071.40	2,071.40
Deposits	-	-	16.61	16.61	16.61
Subordinated liabilities	-	-	239.64	239.64	239.64
Other financial liabilities	-	-	111.17	111.17	111.17
	-	-	3,349.86	3,349.86	3,349.86
<b>As at 31 March 2020</b>					
<b>Financial assets</b>					
Investments - Quoted	-	9,247.22	-	9,247.22	9,247.22
Investments - Unquoted	-	4,110.25	-	4,110.25	4,110.25
Cash and cash equivalents	-	-	716.12	716.12	716.12
Bank Balances other than Cash and cash equivalents	-	-	8.80	8.80	8.80
Receivables	-	-	749.28	749.28	749.28
Loans	-	-	900.00	900.00	900.00
Investment in Government Securities	-	-	0.01	0.01	0.01
Other financial assets	-	-	41.92	41.92	41.92
	-	13,357.47	2,416.13	15,773.60	15,773.60
<b>Financial liabilities</b>					
Payables	-	-	979.13	979.13	979.13
Borrowings (Other than Debts Securities)	-	-	728.45	728.45	728.45
Deposits	-	-	67.14	67.14	67.14
Subordinated liabilities	-	-	230.44	230.44	230.44
Other financial liabilities	-	-	145.06	145.06	145.06
	-	-	2,150.22	2,150.22	2,150.22

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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

#### A. Accounting classification and fair values (Contd.)

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 2021</b>					
Investments - Quoted	8	18,443.40	- -		18,443.40
Investments - Unquoted	8	-	-	3,761.85	3,761.85
<b>As at 31 March 2020</b>					
Investments - Quoted	8	9,247.22	-	-	9,247.22
Investments - Unquoted	8	-	-	4,110.25	4,110.25

#### C. Financial risk management

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

- Credit risk
- Liquidity risk
- 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.

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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

#### C. Financial risk management (Contd.)

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 2021	As at 31 March 2020
Government entities	375.26	360.03
Others	378.70	389.25

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 Receivables are as under:

(₹ in lakhs)

Particulars	Not yet due	Less than 60 days	61- 180 days	181-365 days	More than 1 year	Total
As at 31 March 2021	-	489.95	182.79	32.37	48.85	753.96
As at 31 March 2020	8.45	677.02	14.72	9.10	39.99	749.28

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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

#### C. Financial risk management (Contd.)

During the period, the Group has made no write-offs of receivables. 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 2021</b>						
Payables	911.04	911.04	911.04	-	-	-
Borrowings (Other than Debts Securities)	2,071.40	2,071.40	2,071.40	-	-	-
Deposits*	16.61	20.00	-	-	20.00	-
Subordinated Liabilities*	239.64	262.66	-	-	262.66	-
Other financial liabilities*	111.17	112.77	53.25	2.74	-	56.78
	<b>3,349.86</b>	<b>3,377.87</b>	<b>3,035.69</b>	<b>2.74</b>	<b>282.66</b>	<b>56.78</b>
<b>As at 31 March 2020</b>						
Payables	979.13	979.13	979.13	-	-	-
Borrowings (Other than Debts Securities)	728.45	728.45	728.45	-	-	-
Deposits*	67.14	70.00	70.00	-	-	-
Subordinated Liabilities*	230.44	262.66	-	-	262.66	-
Other financial liabilities*	145.06	149.08	84.24	16.31	2.74	45.79
	2,150.22	2,189.32	1,861.82	16.31	265.40	45.79

\* 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 2021 (Continued)

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

#### C. Financial 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 2021	As at 31 March 2020
<b>Fixed rate instruments</b>		
Financial assets	802.87	909.60
Financial liabilities	256.25	297.58
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	2,071.40	728.45

##### 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 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

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

Group's equity instruments moved in line with the index.

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

#### C. Financial risk management (Contd.)

(₹ in lakhs)

Particulars	Profit or loss		Equity, net of tax	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
BSE / NSE - increase by 10%	1,844.34	924.72	1,633.35	818.93
BSE / NSE - decrease by 10%	(1,844.34)	(924.72)	(1,633.35)	(818.93)

#### 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.

### 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 other comprehensive income	Amount (₹ in Lakhs)"	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
<b>Parent:</b>								
<b>Palash Securities Limited</b>								
<b>As at / for the year ended 31 March 2021</b>	0.51%	142.36	0.12%	(1.60)	0.56%	70.89	0.60%	69.29
As at / for the year ended 31 March 2020	-1.33%	(216.24)	4.98%	(9.65)	0.28%	(23.62)	0.37%	(33.27)
<b>Subsidiaries (Indian):</b>								



## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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 other comprehensive income	Amount (₹ in Lakhs)''	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
<b>Allahabad Canning Limited</b>								
<b>As at / for the year ended 31 March 2021</b>	<b>15.23%</b>	<b>4,232.44</b>	<b>115.15%</b>	<b>(1,477.29)</b>	<b>31.33%</b>	<b>4,033.28</b>	<b>22.06%</b>	<b>2,555.99</b>
As at / for the year ended 31 March 2020	8.68%	1,406.09	262.48%	(507.97)	0.05%	(4.54)	5.74%	(512.51)
<b>Champan Marketing Company Limited</b>								
<b>As at / for the year ended 31 March 2021</b>	<b>15.94%</b>	<b>4,428.98</b>	<b>-2.41%</b>	<b>30.92</b>	<b>14.85%</b>	<b>1,911.13</b>	<b>16.76%</b>	<b>1,942.05</b>
As at / for the year ended 31 March 2020	16.81%	2,724.25	-31.22%	60.42	15.10%	(1,319.95)	14.10%	(1,259.53)
<b>Hargaon Investment &amp; Trading Company Limited</b>								
<b>As at / for the year ended 31 March 2021</b>	<b>46.86%</b>	<b>13,023.51</b>	<b>-11.07%</b>	<b>142.02</b>	<b>41.13%</b>	<b>5,294.63</b>	<b>46.91%</b>	<b>5,436.65</b>
As at / for the year ended 31 March 2020	48.42%	7,846.17	-104.15%	201.56	61.97%	(5,415.38)	58.37%	(5,213.82)
<b>OSM Investment &amp; Trading Company Limited</b>								

## Notes to Consolidated Financial Statements

for the year ended 31 March 2021 (Continued)

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 other comprehensive income	Amount (₹ in Lakhs)''	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
As at / for the year ended 31 March 2021	21.29%	5,917.72	-1.86%	23.90	12.13%	1,561.95	13.68%	1,585.85
As at / for the year ended 31 March 2020	27.13%	4,395.91	-32.53%	62.96	22.60%	(1,975.29)	21.41%	(1,912.33)
<b>Hargaon Properties Limited</b>								
As at / for the year ended 31 March 2021	0.17%	47.93	0.07%	(0.86)	0.00%	-	-0.01%	(0.86)
As at / for the year ended 31 March 2020	0.29%	47.79	0.44%	(0.85)	0.00%	-	0.01%	(0.85)
<b>Total</b>								
As at / for the year ended 31 March 2021	100.00%	27,792.94	100.00%	(1,282.91)	100.00%	12,871.88	100.00%	11,588.97
As at / for the year ended 31 March 2020	100.00%	16,203.97	100.00%	(193.53)	100.00%	(8,738.78)	100.00%	(8,932.31)

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 and on behalf of the Board of Directors

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

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

**Shalini Nopany**  
Director  
DIN: 00077299

**Chetan Kumar Nathani**  
Partner  
Membership No.: 310904  
Place: Kolkata  
Date: 12 May 2021

**Mayuri Raja**  
Company Secretary

**Deepak Kumar Sharma**  
Chief Financial Officer

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## **PALASH SECURITIES LIMITED**

**CIN : L74120UP2015PLC069675**

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