

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; Website-www.birla-sugar.com

31st August, 2020

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 31st March, 2020

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, 2020 together with the Notice dated 25th June, 2020 convening the 6th Annual General Meeting of the Company on 24th September, 2020.

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 6th Annual General Meeting (AGM) of the members of **PALASH SECURITIES LIMITED** will be held on Thursday, 24th September, 2020 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, 2020 and the Reports of the Directors and Auditors thereon.
 - b) the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2020 and the Reports of the Auditors thereon.
- 2. To elect a Director in place of Mr Chand Bihari Patodia (DIN: 01389238), who retires by rotation and, being eligible, offers himself for re-appointment, as a Director**

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr Suresh Kumar Khandelia (DIN: 00373797), who was appointed as an Additional Director of the Company by the Board of Directors on the recommendation of Nomination and Remuneration Committee, with effect from 7th February, 2020 in terms of Section 161(1) of the Act and Article 155 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto 6th February, 2025 and who shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and such other approvals, as may be necessary, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Chand Bihari Patodia (DIN: 01389238) who has attained the age of 70 years, as the Managing Director of the Company on existing terms and conditions without any remuneration, for a further period of three years with effect from 30th March, 2020, whose office would be liable to retire by rotation, if required, pursuant to the applicable provisions of Sec 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company including Board delegated Committee(s) thereof be and they are hereby authorised to alter and vary the terms and conditions of appointment and/or remuneration subject to the provisions of Section 197 any other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company including Board delegated Committee(s) thereof be and they are hereby authorised to do or cause to be done in the name and at the cost of the Company all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

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

Mayuri Raja
Company Secretary
ACS 26022

Place: Kolkata

Dated : 25th June, 2020

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
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 Circulars 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 6th AGM of the Company (the "notice").
4. The Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), relating to the items of the special business is given below and forms part hereof.
The special business under Item Nos. 3 & 4 of the notice of AGM, to be transacted at the AGM, has been considered unavoidable by the Board of Directors of the Company.
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 with a copy marked to *evoting@nsdl.co.in*
6. The Share Transfer Books and Register of Members of the Company will remain closed from Friday, 18th September, 2020 to Thursday, 24th September, 2020 (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. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
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 17th September, 2020 through email on palashsecurities@birlasugar.org The same will be replied by the Company suitably.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.birla-sugar.com/ www.palashsec.com and on the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com 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. At the 2nd AGM held on 12th September, 2016 the Members approved appointment of Subodh Agarwal & Co, Chartered Accountants (Firm Registration No. 319260E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 7th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the sixth AGM.
16. 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
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Instructions for e-voting and joining the AGM are as follows:

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 Sunday, 20th September, 2020 (9:00 a.m. IST) and ends on Wednesday, 23rd September, 2020 (5:00 p.m. IST).

During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, 17th September, 2020 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. 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 / www.palashsec.com. The Notice can also be accessed from the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com 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.
- VIII. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with 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:

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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.nSDL.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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

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.nSDL.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nSDL.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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - 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.

Details on Step 2 is given below:**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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. 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 to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/Ms. Pallavi Mhatre, Manager, NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 at telephone no. 022- 24994360/022 24994545 or at E-mail id evoting@nsdl.co.in
4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to kolkata@linkintime.co.in or palashsecurities@birlasugar.org
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to kolkata@linkintime.co.in or palashsecurities@birlasugar.org
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

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 the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

NOTICE

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 5.00 p.m. (IST) on Thursday, 17th day of September, 2020.
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 5.00 p.m. (IST) on Thursday, 17th day of September, 2020. 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 NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/ 022-24994545.

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 48 hours 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 / 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.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Based on the recommendation of Nomination & Remuneration Committee, Mr Suresh Kumar Khandelia (DIN: 00373797) aged 69 years, a qualified Chartered Accountant having rich experience in the field of accounting, finance and business, was appointed as an Additional Director by the Board of Directors with effect from 7th February, 2020 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr Suresh Kumar Khandelia holds office up to the date of the ensuing Annual General Meeting. Pursuant to Section 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 7th February, 2020 designated Mr Suresh Kumar Khandelia, as an Independent Director based on the declarations received from Mr Suresh Kumar Khandelia. The Company has also received a declaration to the effect that he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

The Board recommends to appoint Mr Suresh Kumar Khandelia as an Independent Director for a consecutive period of five years upto 6th February, 2025.

The Board feels that presence of Mr Suresh Kumar Khandelia on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 3 for approval of the Members of the Company.

Except Mr Suresh Kumar Khandelia, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice Brief resume of Mr Suresh Kumar Khandelia nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (LODR) Regulations, 2015, is provided as annexure to the Notice calling the AGM.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

Item No. 4

Mr. Chand Bihari Patodia (DIN: 01389238) was appointed as Managing Director of the Company for a period of 3 years with effect from 30th March, 2017 at the 3rd Annual General Meeting held on 22nd September, 2017 by passing Special Resolution. Mr. Chand Bihari Patodia has completed his present term on 29th March, 2020. In order to take advantage of Mr. Chand Bihari Patodia's counsel and advice based on his skills, experience, knowledge and outcome of performance valuation and based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of shareholders of the Company, the Board of Directors of the Company at their meeting held on 7th February, 2020, approved the re-appointment of Mr. Chand Bihari Parodia (DIN: 01389238) who has attained the age of 70 years as Managing Director for a further term of three years commencing from 30th March, 2020 on the existing terms and conditions including without any remuneration as Managing Director of the Company.

Accordingly, in view of the recommendation made by the Nomination & Remuneration Committee and in accordance with provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Rules framed there under and to be in compliant with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, recommend the Resolution mentioned in Item No 4 of the Notice for your approval.

Except Mr. Chand Bihari Patodia, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is/are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The requisite information required in terms of the provisions of Section II of Part II of Schedule V to the Act relating to Item No.4 above are all given below:

I. GENERAL INFORMATION:

1. **Nature of industry:** The Company is in the business of Investment in Shares, Debentures, Bonds etc of Joint Stock Companies, Units of different Mutual Fund Scheme with Indian Companies and Nationalised Banks etc and Inter Corporate Deposits within the Group is mainly into investing activities only.
2. **Date or expected date of commencement of commercial production:** The Company is in operation since 2015 . As the Company is a Core Investment Company and the main business of the Company is investment and such there is no commercial production in the Company
3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
4. **Financial performance based on given indicators:** The information is being provided from the audited accounts for the financial year ended on 31st March, 2018, 31st March, 2019, and 31st March, 2020.

(Rs. in Lacs)

Particulars	31.03.2018	31.03.2019	31.03.2020
Revenue from Operations	0.57	0.40	6.94
Other Income	20.71	36.89	36.72
Profit/(Loss) before Tax	(36.49)	8.81	(9.65)
Profit/(Loss) after Tax	(36.49)	7.16	(9.65)
Net Worth	2130.16	2137.32	1945.39

5. **Foreign investments or collaborations, if any.:** Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

1. **Background details:** Mr. Chand Bihari Patodia, possesses rich experience of over 40 years in various capacities especially involving planning, institutional strengthening including restructuring of organization, motivation of employees for better output, public relation and resolution of disputes etc.
2. **Past remuneration:** Nil
3. **Recognition or awards:** The notable awards won by Mr. Chand Bihari Patodia are:
 - a. North Indian Sugarcane & Sugar Technologists’ Association (NISSTA) along with ICAR-Indian Institute of Sugarcane Research (IISR) awarded him “Lifetime Achievement Award” for recognising his contribution in sugarcane research & upgradation of the sugar mill industry on 30th April 2016 at Lucknow.
 - b. The Sugar Technologists’ Association of India (STAI), technical wing of Sugar Industry has also awarded him “Lifetime Achievement Award” on 28th July 2016 by H.E. Smt. Pratibha Devisingh Patil, Former President of India and Hon’ble Sh. Sharad Pawarji in a 74th Annual Convention in New Delhi.
4. **Job profile and his suitability:** Mr Chand Bihari Patodia has been actively associated in its business and plays a pivotal role in all strategic business policies / decisions of the Company. As the Managing Director of the Company the incumbent is reassigned to look after the whole or substantially the whole of the affairs of the Company subject to overall supervision, control and direction of the Board.
5. **Remuneration proposed:** Nil
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Not Applicable. Mr Chand Bihari Patodia has voluntarily waived the remuneration quoting the financial stringency faced by the Company.
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. Chand Bihari Patodia does not hold any equity shares of the Company. He does not have any other pecuniary relationship directly or indirectly with the Company. He does not have any relationship with the managerial personnel of the Company.

III. OTHER INFORMATION:

1. **Reasons of loss or inadequate profits:** Not Applicable
2. **Steps taken or proposed to be taken for improvement:** The Company has adopted various measures to improve the profitability and has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position

NOTICE

- 3. Expected increase in productivity and profits in measurable terms:** The Company has taken various initiatives to strengthen its profit margin by timely decision makings. It has been aggressively pursuing and implementing its strategies to improve financial performance. It is believed that financial position of the company will improve considerably in the coming years.

IV. DISCLOSURES:

- 1. Information on the remuneration package of the managerial personnel:** Mr Chand Bihari Patodia has voluntarily waived the remuneration quoting the financial stringency faced by the Company.
- 2. Disclosures on remuneration package and other terms of Directors under Corporate Governance' Report:** Corporate Governance Report forms a part of the Annual Report and the remuneration package and other terms applicable to the Directors are disclosed therein.

The Board of Directors recommends the passing of the above resolution as a Special Resolution set out in the item no.4 of the Notice.

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

Name	Suresh Kumar Khandelia	
Date of Birth	03.01.1951	
Brief Profile covering experience	Mr Suresh Kumar Khandelia is a qualified Chartered Accountant. He posses rich experience in the textile Industry. Currently he is the Vice Chairman of Confederation of Indian Textile Industry (CITI), Co-Chairman of FICCI Textiles Committee and is in the Managing Committees of Texprocil and Textile Sector Skill Council. He has also served as Committee of Administration Member of SRTEPC and President of Indian Spinners' Association (ISA).	
Date of Appointment	07.02.2020	
Inter-se relationship	None	
Shareholding	Nil	
	Name of Company(ies)	Committee Memberships, if any with position
Board Membership of other listed Companies as on 31st March, 2020	Nil	Nil
	Name of Company(ies)	Committee Memberships, if any with position
Other Directorships	Allahabad Canning Limited	Audit Committee- Member
	SMAA Enterprises Pvt Ltd	
	The Cotton Textile Export Promotion Council	
	SMAA Tradeinvest Pvt Ltd	
	Rajashi Commotrade Pvt Ltd	
	Confederation of Indian Textile Industry	
	Textile Sector Skill Council	
	Blend Financial Solutions Pvt Ltd	
Name	Mr. Chand Bihari Patodia	
Date of Birth	23.04.1948	
Brief Profile covering experience	Mr. Chand Bihari Patodia, possesses rich experience of over 40 years in various capacities especially involving planning, institutional strengthening including restructuring of organization, motivation of employees for better output, public relation and resolution of disputes etc.	
Date of Appointment	23.03.2015	
Inter-se relationship	None	
Shareholding	Nil	
	Name of Company(ies)	Committee Memberships, if any with position
Board Membership of other listed Companies as on 31st March, 2020	Nil	Nil
	Name of Company(ies)	Committee Memberships, if any with position
Other Directorships	JKM Engineering Private Limited	-
	Allahabad Canning Limited	-
	Sunlight Fuels Private Limited	-

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

Mayuri Raja
Company Secretary
ACS 26022

Place: Kolkata
Dated : 25th June, 2020

The background of the cover is a complex, abstract geometric pattern of interlocking 3D cubes. The cubes are rendered in various colors: light blue, dark blue, lime green, light grey, and black. The perspective is from an angle, giving the cubes a three-dimensional appearance. The pattern is dense and covers most of the page, with some white space reserved for the text and logo.

2019-20
Annual Report

Corporate Information

Board of Directors

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

Committees of Directors

Audit Committee

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

Stakeholders' Relationship Committee

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

Nomination and Remuneration Committee

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

Key Managerial Personnel

Mr. Chand Bihari Patodia, Managing Director
 Mr. Deepak Kumar Sharma, Chief Financial Officer
 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 6th Annual Report on the business & operations of the Company alongwith the Audited Statement of Accounts for the financial year ended 31st March, 2020.

1. Financial Results

A summary of standalone and consolidated Financial Performance of the Company for the financial year ended on 31st March 2020, are summarized below:

(Rs. in lakhs)

Particulars	Standalone	Consolidated
	Year ended 31st March, 2020	Year ended 31st March, 2020
Total Revenue from Operations	6.94	4567.48
Profit before Finance Costs, Tax, Depreciation and Amortization	12.67	(56.58)
Less: Depreciation & Amortization Expenses	2.37	31.55
Less: Finance Cost	19.95	71.33
Profit/(Loss) Before Tax	(9.65)	(159.46)
Profit/(Loss) After Tax	(9.65)	(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 2019-20

During the Financial Year 2019-20, the Company incurred a loss after tax of Rs. 9.65 lakhs on standalone basis. On consolidated basis the loss after tax stood at Rs. 193.53 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 2020 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 Rs.10/- totaling to Rs.10,00,31,020/- and 13,00,000 Preference Shares of Rs. 10/- each totaling to Rs. 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 2019-20.

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

During the year, based on the recommendations of the Nomination and Remuneration Committee, Mr. Suresh Kumar Khandelia was appointed w.e.f. 7th February, 2020 as an Additional Director by the Board of Directors of the Company in the category of Independent Director and who shall hold office upto the date of ensuing 6th Annual General Meeting. The Company has received notice in writing from a member proposing his candidature. The Board recommends to the shareholders for his appointment as an Independent Director for a period of 5 (five) consecutive years.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 7th February, 2020 has, subject to the approval of the shareholders of the Company, re-appointed Mr Chand Bihari Patodia as Managing Director of the Company without any remuneration for a further period of 3 years effective from 30th March, 2020. Mr Chand Bihari Patodia shall be liable to retire by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013. The proposal for re-appointment of Mr Chand Bihari Patodia and the terms and conditions of his reappointment are set out in the notice convening the 6th Annual General Meeting.

Mr Bal Kishore Malpani, Non-executive Director has resigned from the directorship of the Company vide his letter dated 3rd March, 2020. The Board records its appreciation for his unstinted support and counselling towards development of the Company while being in the office of Director.

Mr Chand Bihari Patodia will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself 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 2019-20. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 9th November, 2019 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, 2020 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. 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 2020, 5 (Five) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the financial year 2019-20 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 6 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 has been revised during the year in pursuance of amended provisions of law and is available on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Palash/RELATED%20PARTY%20TRANSACTION%20POLICY%20NEW.pdf>

The Policy on Related Party Transactions was aligned with the changes recommended by the MCA/SEBI in this regard.

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, 2020, 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 2019-20 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

At the 2nd Annual General Meeting (AGM) of your Company held on 12th September, 2016 M/s. Agrawal, Subodh & Co., Chartered Accountants, having Firm Registration No. 319260E, were appointed as Statutory Auditors of your Company to hold office for a term of 5 (five) years at the 2nd Annual General Meeting (AGM) (subject to ratification of such appointment by the Members at every AGM) of your Company held on 12th September, 2016 from the conclusion of 2nd AGM till the conclusion of the 7th AGM of your Company. They have confirmed that they are not disqualified from continuing as Auditors 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, M/s. Agrawal, Subodh & Co., Chartered Accountants, shall continue as Statutory Auditors of your Company till the conclusion of the 7th AGM of your Company.

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 2019-20. 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, 2020. 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 Parasrampur & Co., Chartered Accountants to conduct Internal Audit of the Company for the financial year 2019-20.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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, 2020, 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 Note 3 of 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, 2020 and of the 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.

30. 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.

31. Acknowledgement

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

For and on behalf of the Board

Place: Kolkata

Dated: 25th June, 2020

Shalini Nopany

Chairperson

DIN: 00077299

Annexure A

Management & Discussion Analysis

Economic Overview

The world has changed dramatically. Both advanced economies and emerging market and developing economies are in recession. Major economies have also been significantly downgrade. A rare disaster, a coronavirus pandemic, has resulted in a tragically large number of human lives being lost. As countries implement necessary quarantines and social distancing practices to contain the pandemic, the world has been put in a Great Lockdown. The magnitude and speed of collapse in activity that has followed is unlike anything experienced in our lifetimes. This is a truly global crisis as no country is spared.

The global economy is entering the downturn phase of the credit cycle, which is marked by declines in economic activity and corporate profits. Long-term US Treasury yields continued a multi-decade downtrend during the last economic expansion, the longest in US history. Corporate profits at the equity index level are widely expected to decline across the globe in 2020.

Major events included the Russia–Saudi Arabia oil price war that resulted in a collapse of crude oil prices and a stock market crash in March 2020. However, the COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 3 percent in 2020, much worse than during the 2008–09 financial crisis.

While the shock is of unknown depth and duration, it is known that the containment measures and social distancing mechanically bring economic activity to a halt. The impact on economic activity will likely be sharp and deep.

Industry Structure and Developments

COVID-19 is disrupting consumption patterns and business activity across the globe. Equity markets have already discounted a mild downturn in the global economy. Coronavirus recession refers to an economic recession which may happen across the world economy in 2020 due to the 2019–20 coronavirus pandemic. Economic turmoil associated with the coronavirus pandemic has wide-ranging and severe impacts upon financial markets, including stock, bond and commodity (including crude oil and gold) markets. But growing risk aversion across the world triggered heavy selloffs in equity markets, including in India in March, as per the RBI report. Indian markets, in line with global indices, is trying to stabilize for now in spite of the escalating health risks worldwide.

Countries reliant on tourism, travel, hospitality, and entertainment for their growth are experiencing particularly large disruptions. Emerging market and developing economies facing additional challenges with unprecedented reversals in capital flows as global risk appetite wanes, and currency pressures, while coping with weaker health systems, and more limited fiscal space to provide support. Moreover, several economies entered this crisis in a vulnerable state with inactive growth and high debt levels.

Global financial markets remain volatile, and emerging market economies are dealing with capital outflows and volatile exchange rates. The outlook for domestic financial markets is highly uncertain, given the strong capital outflows. The stock market was buoyant till mid-January against the backdrop of a fall in oil prices, recovery in industrial output in November, higher GST collection and expansion in manufacturing Purchasing Managers' Index (PMI) in December, which pushed Sensex to a record close in January, 2020. While other commodities are down, gold has gone up because of the demand for a safe haven in uncertainty. The impact gold rally will be more for Indian investors because of the fall in rupee now.

This recovery in 2021 is only partial as the level of economic activity is projected to remain below the level it was projected for 2021, before the virus hit. Assuming the pandemic fades in the second half of 2020 and that policy actions taken around the world are effective in preventing widespread firm bankruptcies, extended job losses, and system-wide financial strains, global growth in 2021 is projected to rebound to 5.8%.

Opportunities and Threats.

Your Company being an Investment Company it seeks opportunities in the capital market. The unpredictability in the stock indices in the financial year under report represents both an opportunity and challenge for the Company. The global nature of the pandemic, coupled with its high intensity and long duration, will fundamentally alter the business landscape through changing trade flows, asset prices and consumption patterns. This will impact all key stakeholders, including banks, financial institutions, investors and corporates. The need of the hour is to put in place a comprehensive action plan that addresses potential impact, from short-term cash flow concerns to longer term balance sheet adjustments.

Global markets enter a new decade insecurely balanced. Slowing growth, deteriorating profitability and high debt levels risk tipping the scales, while low rates and resilient consumption offer support. The government, along with the central bank, has already been working on multiple fronts to battle the pandemic. The RBI has taken a number of steps to ensure normal business functioning by the entire banking sector. As a result, the payment infrastructure is running seamlessly.

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.

The food processing has become an integral part of the food supply chain in the global economy, and India has also seen growth in this sector in the last few years. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

India's export of food products to abroad is gradually increasing. Indian is also a leading market for food related raw materials in the world. The online food ordering business in India is in its nascent stage, but witnessing exponential growth. It is increasingly becoming evident that only a vibrant food processing sector can lead to increasing farm gate prices and thus increase income levels, reduce wastages and increase employment opportunities. As India has liberalized its overall policy regime with specific incentives for high priority food processing sector, provide a very conducive environment for investments and exports in the sector

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.

Although supplies of staples, fruits and vegetables have been adequate during the COVID-19 outbreak so far, still there are threats to food security, in the long term, restrictions on transportation and movement of people have already led to some food logistic challenges. Yet the impact of the outbreak will spill over to food processing industries, which have suspended production. Supply of processed food remains relatively abundant for the time being, but production may be affected by a manpower crunch and falling demand for agricultural products. Thus, the Company is thriving to be constructive and productive embracing quick, smart and innovative approach which is significant to improve productivity, bridging between health shock and economic shock.

With an intent to optimize the deployment of fund and capital across the core business of the Company and its subsidiaries, will enable your Company to create ongoing incremental value and sustainable business growth.

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. 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 wholly owned subsidiary 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.

During the Financial Year 2019-20, the Company incurred a loss after tax of Rs. 9.65 lakhs on standalone basis. On consolidated basis the loss after tax stood at Rs. 193.53 lakhs.

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:

	31.03.2020	31.03.2019
(i) Debtors Turnover	0	0
(ii) Inventory Turnover	0	0
(iii) Interest Coverage Ratio	N.A	0
(iv) Current Ratio	0.75	0.85
(v) Debt Equity Ratio	6.71%	N.A
(vi) Operating Profit Margin (%)	N.A	N.A
(vii) Net Profit Margin (%)	Loss	19.20%
(j) details of any change in Return on Net Worth	Loss	0.72%

Outlook

Financial markets across the world are experiencing extreme volatility, global commodity prices, especially of crude oil, have declined sharply. COVID-19 would impact economic activity in India directly due to lockdowns, and through second round effects operating through global trade and growth. The impact of COVID-19 on inflation is ambiguous, with a possible decline in food prices likely to be offset by potential cost-push increases in prices of non-food items due to supply disruptions.

COVID-19, the accompanying lockdowns and the expected contraction in global output in 2020 weigh heavily on the growth outlook. The actual outturn would depend upon the speed with which the outbreak is contained and economic activity returns to normalcy. Significant monetary and liquidity measures taken by the Reserve Bank and fiscal measures by the government would mitigate the adverse impact on domestic demand and help spur economic activity once normalcy is restored. Risks around the inflation projections appear balanced at this juncture and the tentative outlook is benign relative to recent history. But COVID-19 hangs over the future, like a spectre.

The RBI will monitor the evolving situation continuously and use all its instruments to address the daunting challenges posed by the pandemic. The overarching objective is to keep the financial system and financial markets sound, liquid and smoothly functioning so that finance keeps flowing to all stakeholders, especially those that are disadvantaged and vulnerable.

Regulatory measures that have been announced so far are merged into the objective of preserving financial stability. The Reserve Bank has been proactively taking measures to address the systemic liquidity issues through a swing of monetary and market operations. In the period ahead, inflation could recede even further, barring supply disruption shocks and may even settle well below the target of 4 per cent by the second half of 2020-21. Such an outlook would make policy space available to address the strengthening of risks to growth and financial stability brought on by COVID-19. In these conditions, forecasts are hazardous as they are subject to large revisions with every incoming data on the pandemic.

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. During the year, Mr. Suresh Kumar Khanelia was appointed w.e.f. 7th February, 2020 as an Additional Director in the category of Non Executive Independent Director subject to approval of the shareholders at the ensuing Annual General Meeting of the Company to be held in 2020. Again, Mr. Bal Kishore Malpani, Non-Executive Director has resigned from the directorship of the Company vide his letter dated 3rd March, 2020. The Board records its appreciation for his unstinted support and counselling towards development of the Company while being in the office of Director.
- iii. 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.
- iv. As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of SEBI (LODR) Regulations, 2015 as well as not have been debarred or disqualified from being appointed or continuing as director by SEBI/MCA or any other statutory authority. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.
- v. 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.
- vi. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.
- vii. The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- viii. The Independent Directors (IDs) met on 9th November, 2019 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 fulfill the conditions specified in the Listing Regulations as amended from time to time and are independent of the management.

- ix. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company.: 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 Agarwal	Mr Arun Kumar Newar	Mr Bal Kishore Mal-pani*	Mr Suresh Kumar Khan-delia#
Business	Understanding of Company's business dynamics across various geographical markets, industry verticals and regulatory	Yes	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	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	Yes

*Resigned on 03.03.2020

#Appointed w.e.f 07.02.2020

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:

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

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

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

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

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

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

The Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity. 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 Five (5) Board Meetings were held on 10th May, 2019, 12th August, 2019, 9th November, 2019, 7th February, 2020 and 3rd March, 2020 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 2019-20 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	3	No	5	-	1	SIL Investments Limited	NED	NIL
Mr Chand Bihari Patodia (DIN- 01389238)	MD	5	Yes	1	-	-	NIL	-	NIL
Mr Dinesh Kacholia (DIN - 07640666)	I/NED	2	No	-	-	-	NIL	-	NIL
Mr Chhedi Lal Agarwal (DIN - 07778603)	I/NED	5	Yes	4	-	2	Ganges Securities Limited	ID	NIL
Mr Arun Kumar Newar (DIN - 07778968)	I/NED	5	No	2	3	3	Ganges Securities Limited	ID	NIL
Mr Bal Kishore Malpani (DIN - 00209006) #	NED	2	No	-	-	-	NIL	-	NIL
Mr Suresh Kumar Khandelia## (DIN-00373797)	I/NED	0	No	3	-	-	NIL	-	NIL

upto 3rd March, 2020

appointed w.e.f 7th February, 2020

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, Mr Chand Bihari Patodia is liable to retire by rotation and is eligible for re-appointment. Brief particulars of Mr Chand Bihari Patodia 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 2019-20 viz. on 10th May, 2019, 12th August, 2019, 9th November, 2019 and 7th February, 2020 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	Executive 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, 2020 is as follows:

- a) Mr. Chhedi Lal Agarwal - Chairperson
- b) Mr. Arun Kumar Newar
- c) Mr. Dinesh Kacholia

During the period under review the Committee met four times on 4 (Four) on 10th May, 2019, 12th August, 2019, 9th November, 2019 and 7th February, 2020 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	4
Mr. Arun Kumar Newar	Member	Independent Director	4
Mr. Dinesh Kacholia	Member	Independent Director	2

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, 2020, the Company received One complaint under SEBI Complaints Redress System (SCORES) which was resolved as on 31st March, 2020 and no complaints were pending as on 31st March, 2020.

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

5. Nomination and Remuneration Committee

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

i. Objectives:

The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifies the persons who are qualified to become Directors and who may be appointed in senior management including their remuneration in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI (LODR) Regulations, 2015

ii. Terms of Reference:

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

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

iii. Composition and Meetings:

The Committee comprises of the following Directors:

- a) Mr. Arun Kumar Newar - Chairperson
- b) Mr. Dinesh Kacholia
- c) Mr. Chhedi Lal Agarwal

During the period under review the Committee met 2 (Two) times on 10th May, 2019 and 7th February, 2020 respectively.

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	2
Mr. Dinesh Kacholia	Member	Independent Director	1
Mr. Chhedi Lal Agarwal	Member	Independent Director	2

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 2019-20 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 (Rs.)
1	Mrs Shalini Nopany	15000/-
2	Mr. Chhedi Lal Agarwal	45000/-
3	Mr. Arun Kumar Newar	45000/-
4	Mr. Dinesh Kacholia	22500/-
5	Mr. Bal Kishore Malpani #	10000/-
6	Mr Suresh Kumar Khandelia*	Nil

#upto 03.03.2020

*appointed w.e.f 07.02.2020

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, 2020 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 2019-20, 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 2019-20. 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
2018-19	02.09.2019	10.00 a.m.	Registered Office: P.O. Hargaoon, Dist. Sitapur Uttar Pradesh - 261 121
2017-18	24.09.2018	10.30 a.m.	
2016-17	22.09.2017	10.30 a.m.	

The last Annual General Meeting was held on 2nd September, 2019, which was chaired by Mr Chand Bihari Patodia.

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

1. Appointment of Mr. Chand Bihari Patodia as the Managing Director of the Company in the Annual General Meeting held on 22nd September, 2017

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

12. Means of Communication

- i. 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 two months 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 Lughnow, Kolkata and Mumbai edition.
- ii. Owing to disruptions caused by COVID 19, several relaxations have been provided by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), relating to the approval of financial results for the quarter and year ended 31st March, 2020 and the time line for approval of financial results for quarter and year ended had been extended till 30th June 30, 2020 by SEBI. Further, SEBI has granted temporary relaxation to companies from certain disclosure requirements on account of the ongoing COVID-19 pandemic. SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 extending the time for submission of financial results for the quarter/half year/financial year ending 31st March 2020 by the listed entities to the stock exchanges due to the continuing impact of the CoVID-19 pandemic from 30th June, 2020 to 31st July, 2020
- iii. 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.
- iv. 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 and can be downloaded.
- v. The Company also displays official press releases as and when released on the above website.
- vi. Email id earmarked for redressing Investor queries is palashinvestors@birla-sugar.com.

13. General Shareholders' Information

- i. 6th Annual General Meeting
 - Day : Thursday
 - Date : 24th September, 2020
 - Time : 11 AM
 - Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM

ii. Tentative Financial Calendar for the year 2020-21

Approval of Audited Annual Results (2019-20)	25th June, 2020
First Quarter Results	On or before 14th August, 2020
Second Quarter Results	On or before 14th November, 2020
Third Quarter Results	On or before 14th January, 2021
Audited Annual Results (2020-21)	On or before 30th May, 2021

iii. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18th September, 2020 to Thursday, 24th September, 2020 (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	

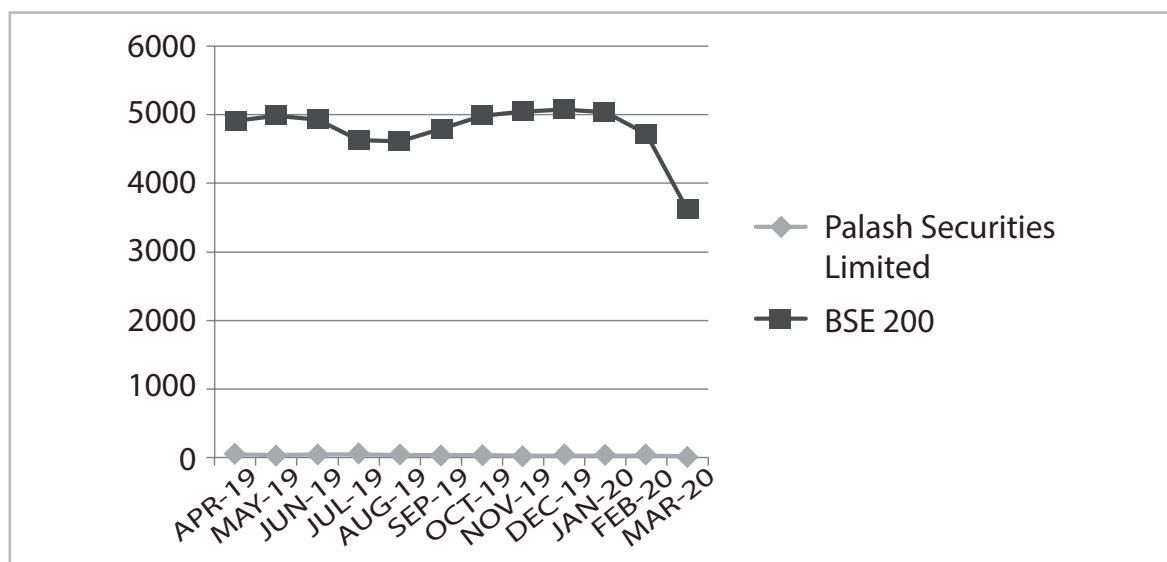
Listing fees for the FY 2020-21 have been paid to the above Stock Exchanges.

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, 2019	44.35	37.50	43.00	37.00
May, 2019	43.95	36.60	45.00	37.50
June, 2019	48.50	38.70	47.60	37.55
July, 2019	45.15	35.00	46.20	34.00
August, 2019	43.90	34.00	43.95	33.55
September, 2019	44.00	35.00	45.00	34.30
October, 2019	42.80	30.00	39.50	28.85
November, 2019	38.40	25.40	35.75	24.10
December, 2019	35.30	24.00	33.30	24.30
January, 2020	41.95	23.20	39.90	25.05
February, 2020	30.30	24.15	31.35	24.50
March, 2020	26.00	18.20	27.65	17.70

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.

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 Rs. 10/- each fully paid up and allotted as under:

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

b. The Distribution of Shareholding as on 31st March, 2020 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -500	8644	92.5482	659487	6.5928
501 - 1000	296	3.1692	220877	2.2081
1001 – 2000	199	2.1306	287072	2.8698
2001 – 3000	60	0.6424	153158	1.5311
3001 – 4000	25	0.2677	88628	0.8860
4001 – 5000	21	0.2248	94743	0.9471
5001 – 10000	35	0.3747	245033	2.4496
100001 and above	60	0.6424	8254104	82.5154
Total	9340	100	10003102	100

c. Detail of Shareholding pattern of the Company as on 31st March, 2020 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	6533643	65.32
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	368650	3.69
Bodies Corporate	391031	3.91
Societies	20500	0.20
Indian Public	2623110	26.22
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	66168	0.66
Total	10003102	100

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. 9933395 Equity Shares viz. 99.36% 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. 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, 2020, 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.

15. 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.

16. 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.

17. 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.

18. 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 be an

19. 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.

20. 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.

21. Secretarial Audit & Secretarial Compliance Report

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended March 31, 2020 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 at www.birla-sugar.com.

22. Disclosures

- a. 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. 19 of the Accounts in the Annual Report.
- b. 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.
- c. The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- d. The Company has complied with all the applicable mandatory requirements.
- e. 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.

- f. 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 23 to the Standalone Financial Statements and Note 34 to the Consolidated Financial Statements
- g. 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.
- h. 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 2019-20.
- i. 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.

23. Discretionary Requirements

- a. **Chairman of the Board:** Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties
Yes, the Company do provide for maintenance of Chairperson office at the Company's expense.
- b. **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.
In view of the CoVID-19 pandemic, the Securities and Exchange Board of India (SEBI) relaxed the compliance norms on conducting virtual Annual General Meeting (AGMs) . Further, the requirements of printing and despatch of annual reports to shareholders are dispensed with. This relaxation is available for listed entities who conduct their AGMs during the calendar year 2020 (i.e. till December 31, 2020).
The Annual Report of the Company for the financial year 2019-20 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.
- c. **Modified opinion(s) in audit report:** Company may move towards a regime of unmodified financial statements
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, 2020
- d. **Separate posts of Chairperson and CEO:** The Company has appointed separate persons to the post of Chairperson and Managing Director/CEO.
The positions of Chairman and Managing Director are separate.
- e. **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.

24. Web links to Company policies and programmes

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

1. Related Party Transaction Policies

<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Related-Party-Transaction-Policy.pdf>

2. Policy for determining Material Subsidiaries

<http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>

3. Code of Conduct

<http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>

4. Policy on Determination of Materiality

<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Policy-on-Determination-of-Materiality.pdf>

5. Policy on preservation of documents including archival

<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Policy-on-preservation-of-documents-including-archival.pdf>

6. Whistle Blower Policy

<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Whistle-Blower-Policy.pdf>

7. Familiarisation Programme

<http://www.birla-sugar.com/Assets/Palash/FAMILARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf>

25. 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).

Annexure

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, 2020 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

UDIN: F004848B000358685

Place: Kolkata
Date : 25.06.2020

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 2019-20.

Place: Kolkata

Date: 25th June, 2020

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, 2020 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, 2020

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

(Prosanta Mukherjee)
Partner
Membership No. 053651
UDIN: 20053651AAAAAU8931

Place: Kolkata
Date: 25th June, 2020

Annexure E

Secretarial Audit Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

To,
The Members,
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, 2020 ['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, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2020 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 ("SEBI Act"), 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.

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

Munmi Phukon

Partner

Membership No: A60355

CP No.: 22846

UDIN:A060355B00378354

Place: Kolkata

Date: June 25, 2020

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. Corporate Social Responsibility Committee;
 - f. Finance & Corporate Affairs Committee;
 - g. General meeting;
2. Annual Report 2018-19;
3. Notice and Agenda for Board and Committee Meeting on sample basis.
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) on sample basis;
8. Compliance Report obtained by the Company from Internal Auditor for ascertaining the compliance with the specific laws, on a sample basis;
9. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015 made to the stock exchange
10. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 made to the stock exchange.

Annexure E1

Secretarial Audit Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

To,
The Members,
Allahabad Canning Limited
Kolkata

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books 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. I 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. I 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, I followed provide a reasonable basis for my opinion;
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Where ever required, I 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.

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

I further 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.

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

I 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
Proprietor
ACS: 3010
C.P. No.: 14490
UDIN No: A003010B000377483

Place: Kolkata
Date: 25.06.2020

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 (2018-19);
- 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 ON MARCH 31, 2020

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

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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books 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. I 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. My responsibility is to express an opinion on these secretarial records based on my audit;
2. I 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, I followed provide a reasonable basis for my opinion;
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Where ever required, I 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 further 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.

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

I 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
Proprietor
ACS: 3010
C.P. No.: 14490
UDIN No: A003010B000371941

Place: Kolkata
Date: 24.06.2020

ANNEXURE - A1**List of Documents**

1. Corporate Matters
- 1.10 Minutes books of the following Meetings were provided:
 - 1.10.1 Board Meeting
 - 1.10.2 General Meeting
 - 1.10.3 Audit Committee
 - 1.10.4 Nomination and Remuneration Committee
 - 1.10.5 Asset-Liability Management Committee
 - 1.10.6 Risk Management Committee
- 1.11 Annual Report (2018-19);
- 1.12 Memorandum and Articles of Association;
- 1.13 Disclosures under the Act, 2013 ;
- 1.14 Policies framed under the Act, 2013;
- 1.15 Forms and returns filed with the ROC and RBI;
- 1.16 Registers maintained under Act, 2013;

Annexure E3

Secretarial Audit Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARGAON INVESTMENT & TRADING COLTD.** (CIN:U67120WB1986PLC041679) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books 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. I 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. My responsibility is to express an opinion on these secretarial records based on my audit;
2. I 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, I followed provide a reasonable basis for my opinion;
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Wherever required, I 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.

I further 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.

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

I 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

Proprietor

ACS: 3010

C.P. No.: 14490

UDIN No: A003010B000371950

Place: Kolkata

Date: 24.06.2020

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 (2018-19);
- 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 ON MARCH 31, 2020

[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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **OSM INVESTMENT & TRADING CO LTD.** (CIN:U67120WB1986PLC041677) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books 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. I 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. My responsibility is to express an opinion on these secretarial records based on my audit;
2. I 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, I followed provide a reasonable basis for my opinion;
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Wherever required, I 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.

I further 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.

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

I 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
Proprietor
ACS: 3010
C.P. No.: 14490
UDIN No: A003010B000371961

Place: Kolkata
Date: 24.06.2020

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 (2018-19);
- 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, 2020

[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	PALASH SECURITIES LIMITED
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 1698India 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	15.90
2.	Real Estate Activities	681	84.05

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	100%	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 - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	32,635	0	32,635	0.3262	32,635	0	32,635	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	61,86,349	0	61,86,349	61.8443	65,00,740	0	65,00,740	64.9872	3.1429
	Sub Total (A)(1)	62,19,252	0	62,19,252	62.1732	65,33,643	0	65,33,643	65.3162	3.1430
[2]	Foreign									
(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)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	62,19,252	0	62,19,252	62.1732	65,33,643	0	65,33,643	65.3162	3.1430
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	1,293	1,293	0.0129	0	1,293	1,293	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	3,94,229	4	3,94,233	3.9411	3,67,109	4	3,67,113	3.6700	-0.2711
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	3,94,229	1,541	3,95,770	3.9565	3,67,109	1,541	3,68,650	3.6854	-0.2711
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000

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 - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	14,49,607	66,806	15,16,413	15.1594	14,12,530	61,199	14,73,729	14.7327	-0.4267
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	13,05,490	0	13,05,490	13.0509	10,15,454	0	10,15,454	10.1514	-2.8995
(b)	NBFCs registered with RBI	67	0	67	0.0007	0	0	0	0.0000	-0.0007
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	0	0	0	0.0000	20,500	0	20,500	0.2049	0.2049
	Foreign Nationals	0	252	252	0.0025	0	252	252	0.0025	0.0000
	Hindu Undivided Family	1,23,901	1	1,23,902	1.2386	1,25,808	1	1,25,809	1.2577	0.0191
	Non Resident Indians (Non Repat)	10,254	0	10,254	0.1025	8,797	0	8,797	0.0879	-0.0146
	Non Resident Indians (Repat)	48,739	0	48,739	0.4872	57,119	0	57,119	0.5710	0.0838
	Clearing Member	5,950	1	5,951	0.0595	8,117	1	8,118	0.0812	0.0217
	Bodies Corporate	3,75,906	1,106	3,77,012	3.7690	3,89,925	1,106	3,91,031	3.9091	0.1401
	Sub Total (B)(3)	33,19,914	68,166	33,88,080	33.8703	30,38,250	62,559	31,00,809	30.9985	-2.8718
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	37,14,143	69,707	37,83,850	37.8268	34,05,359	64,100	34,69,459	34.6838	-3.1430
	Total (A)+(B)	99,33,395	69,707	1,00,03,102	100.0000	99,39,002	64,100	1,00,03,102	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	99,33,395	69,707	1,00,03,102	100.0000	99,39,002	64,100	1,00,03,102	100.0000	

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 - 2019			Shareholding at the end of the year - 2020			% 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	12,83,234	12.8284	0.0000	12,83,234	12.8284	0.0000	0.0000
2	SCM Investment & Trading Co. Ltd.	10,78,958	10.7862	0.0000	10,78,958	10.7862	0.0000	0.0000
3	New India Retailing and Investment Ltd	10,71,532	10.7120	10.7120	10,71,532	10.7120	0.0000	0.0000
4	RTM Investment And Trading Co. Ltd.	9,04,951	9.0467	9.0467	9,04,951	9.0467	0.0000	0.0000
5	Deepshikha Trading Co. Private Limited	5,59,129	5.5896	1.7740	6,64,129	6.6392	0.0000	1.0496
6	Ronson Traders Limited	3,80,877	3.8076	1.1375	4,60,268	4.6013	0.0000	0.7937
7	Sidh Enterprises Ltd.	3,06,658	3.0656	0.0000	3,06,658	3.0656	0.0000	0.0000
8	Sonali Commercial Ltd.	2,57,658	2.5758	2.3136	3,87,658	3.8754	0.0000	1.2996
9	Yashovardhan Investment & Trading Co. Ltd.	2,00,161	2.0010	0.0000	2,00,161	2.0010	0.0000	0.0000
10	Uttam Commercial Ltd.	1,17,643	1.1761	0.0000	1,17,643	1.1761	0.0000	0.0000
11	Chandra Shekhar Nopany	28,468	0.2846	0.0000	28,468	0.2846	0.0000	0.0000
12	Rajpur Farms Limited	15,315	0.1531	0.0000	15,315	0.1531	0.0000	0.0000
13	Narkatiaganj Farms Limited	9,756	0.0975	0.0000	9,756	0.0975	0.0000	0.0000
14	Nandini Nopany	4,167	0.0417	0.0000	4,167	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 - Trustee of Shruti Family Trust	258	0.0026	0.0000	258	0.0026	0.0000	0.0000
17	Chandra Shekhar Nopany - Trustee of Shekhar Family Trust	10	0.0001	0.0000	10	0.0001	0.0000	0.0000
	Total	62,19,252	62.1732	24.9838	65,33,643	65.32	0.00	3.1429

iii) Change in Promoters' Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions During The Year		Cumulative Shareholding at the end of the year - 2020	
		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 - 2019		Transactions During The Year		Cumulative Shareholding at the end of the year - 2020	
		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	DEEPSHIKHA TRADING CO PVT. LTD.	559129	5.5896			559129	5.5896
	Transfer			20 Mar 2020	104781	663910	6.6370
	Transfer			27 Mar 2020	219	664129	6.6392
	AT THE END OF THE YEAR					664129	6.6392
6	RONSON TRADERS LIMITED	380877	3.8076			380877	3.8076
	Transfer			07 Jun 2019	5013	385890	3.8577
	Transfer			14 Jun 2019	39	385929	3.8581
	Transfer			21 Jun 2019	15282	401211	4.0109
	Transfer			29 Jun 2019	22541	423752	4.2362
	Transfer			06 Sep 2019	1057	424809	4.2468
	Transfer			13 Sep 2019	32776	457585	4.5744
	Transfer			27 Sep 2019	2683	460268	4.6013
	AT THE END OF THE YEAR					460268	4.6013
7	SONALI COMMERCIAL LTD.	257658	2.5758			257658	2.5758
	Transfer			20 Mar 2020	31276	288934	2.8884
	Transfer			27 Mar 2020	98724	387658	3.8754
	AT THE END OF THE YEAR					387658	3.8754
8	SIDH ENTERPRISES LTD.	306658	3.0656			306658	3.0656
	AT THE END OF THE YEAR					306658	3.0656
9	YASHOVARDHAN INVESTMENT & TRADING CO. LTD.	200161	2.0010			200161	2.0010
	AT THE END OF THE YEAR					200161	2.0010
10	UTTAM COMMERCIAL LTD.	117643	1.1761			117643	1.1761
	AT THE END OF THE YEAR					117643	1.1761
11	CHANDRA SHEKHAR NOPANY	28468	0.2846			28468	0.2846
	AT THE END OF THE YEAR					28468	0.2846
12	RAJPUR FARMS LIMITED	15315	0.1531			15315	0.1531
	AT THE END OF THE YEAR					15315	0.1531
13	NARKATIAGANJ FARMS LIMITED	9756	0.0975			9756	0.0975
	AT THE END OF THE YEAR					9756	0.0975
14	NANDINI NOPANY	4167	0.0417			4167	0.0417
	AT THE END OF THE YEAR					4167	0.0417
15	THE OUDH TRADING CO. (P) LTD.	477	0.0048			477	0.0048
	AT THE END OF THE YEAR					477	0.0048
16	CHANDRA SHEKHAR NOPANY #	258	0.0026			258	0.0026
	AT THE END OF THE YEAR					258	0.0026
17	CHANDRA SHEKHAR NOPANY ##	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 - 2019		Transactions During The Year		Cumulative Shareholding at the end of the year - 2020	
		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	LIFE INSURANCE CORPORATION OF INDIA	317537	3.1744			317537	3.1744
	Transfer			21 Jun 2019	(5186)	312351	3.1225
	Transfer			29 Jun 2019	(21106)	291245	2.9115
	Transfer			05 Jul 2019	(828)	290417	2.9033
	AT THE END OF THE YEAR					290417	2.9033
2	PORINJU V VELIYATH	100949	1.0092			100949	1.0092
	AT THE END OF THE YEAR					100949	1.0092
3	EARTHSTONE HOLDING (TWO) PRIVATE LIMITED	95984	0.9595			95984	0.9595
	AT THE END OF THE YEAR					95984	0.9595
4	RAKESH KUMAR JAIN	77077	0.7705			77077	0.7705
	Transfer			22 Nov 2019	2923	80000	0.7998
	AT THE END OF THE YEAR					80000	0.7998
5	G SHANKAR	67946	0.6792			67946	0.6792
	Transfer			19 Apr 2019	1000	68946	0.6892
	Transfer			07 Jun 2019	500	69446	0.6942
	Transfer			06 Dec 2019	1000	70446	0.7042
	Transfer			24 Jan 2020	34	70480	0.7046
	Transfer			28 Feb 2020	1620	72100	0.7208
	Transfer			06 Mar 2020	100	72200	0.7218
	AT THE END OF THE YEAR					72200	0.7218
6	THE NEW INDIA ASSURANCE COMPANY LIMITED	71616	0.7159			71616	0.7159
	AT THE END OF THE YEAR					71616	0.7159
7	AJAYKUMAR BHASKAR PATIL	45000	0.4499			45000	0.4499
	Transfer			29 Nov 2019	995	45995	0.4598
	Transfer			06 Dec 2019	10822	56817	0.5680
	Transfer			13 Dec 2019	6598	63415	0.6340
	Transfer			20 Dec 2019	6585	70000	0.6998
	AT THE END OF THE YEAR					70000	0.6998
8	NARASIMHA SWAMY YALAMANCHILI	69279	0.6926			69279	0.6926
	AT THE END OF THE YEAR					69279	0.6926
9	ATUL J SHAH	61000	0.6098			61000	0.6098
	AT THE END OF THE YEAR					61000	0.6098

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 - 2019		Transactions During The Year		Cumulative Shareholding at the end of the year - 2020	
		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
10	SSD SECURITIES PRIVATE LIMITED	0	0.0000			0	0.0000
	Transfer			26 Jul 2019	27994	27994	0.2799
	Transfer			02 Aug 2019	4092	32086	0.3208
	Transfer			09 Aug 2019	8863	40949	0.4094
	Transfer			16 Aug 2019	1171	42120	0.4211
	Transfer			23 Aug 2019	980	43100	0.4309
	Transfer			11 Oct 2019	4000	47100	0.4709
	Transfer			18 Oct 2019	200	47300	0.4729
	Transfer			25 Oct 2019	2700	50000	0.4998
	AT THE END OF THE YEAR					50000	0.4998
11	BODEPUDI JEEVAN KISHORE	46000	0.4599			46000	0.4599
	AT THE END OF THE YEAR					46000	0.4599
12	ZAKI ABBAS NASSER	320000	3.1990			320000	3.1990
	Transfer			13 Sep 2019	(15000)	305000	3.0491
	Transfer			15 Nov 2019	(35000)	270000	2.6992
	Transfer			13 Dec 2019	(30000)	240000	2.3993
	Transfer			14 Feb 2020	(5000)	235000	2.3493
	Transfer			20 Mar 2020	(145000)	90000	0.8997
	Transfer			27 Mar 2020	(79723)	10277	0.1027
	AT THE END OF THE YEAR					10277	0.1027

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
Mrs. Shalini Nopany, Chairperson & Non-Executive Director				
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
Mr. Chand Bihari Patodia, Managing Director				
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
Mr. Deepak Kumar Sharma, Chief Financial Officer				
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
Mr. Mayuri Raja, Company Secretary				
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
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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		
	Total (A)	NIL	NIL

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	-	112500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total B (1)	45000	45000	22500		112500

* Appointed w.e.f 07.02.2020

2. Other Non-Executive Directors

(In ₹)

SI No.	Particulars of Remuneration	Mrs. Shalini Nopany	Mr. Bal Kishore Malpani#	Total Amount
	Fee for attending Board/Committee Meetings	15000	10000	25000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total B (2)	15000	10000	25000
	Total (B) = (B)(1)+(B)(2)			137500

Resigned w.e.f 03.03.2020

VI. Remuneration of Directors and Key Managerial Personnel

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

(In ₹)

SI 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			
	Total (A)	NIL	NIL	NIL

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)
A. Company					
			None		
B. Directors					
			None		
C. Other officers in default					
			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
Name of the subsidiary	Allahabad Canning Limited	Hargaon Investment & Trading Co Ltd	OSM Investment & Trading Co Ltd	Champaran Marketing Co Ltd	Hargaon Properties Limited#
Financial Year ending on	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020
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	1098.46	304.57	174.04	108.73	49.99
Reserves & surplus	(397.72)	8073.57	4423.40	2,637.75	(2.21)
Total assets	3425.73	8390.62	4,598.45	2,754.37	47.89
Total Liabilities	3425.73	8390.62	4,598.45	2,754.37	47.89
Investments	0.01	6837.14	4,150.49	2,370.61	-
Turnover	4158.75	268.76	78.97	69.30	0.02
Profit/(Loss) before taxation	(545.70)	256.82	74.98	64.95	(0.84)
Provision for taxation	(5.40)	28.84	6.10	4.53	0.01
Profit/(Loss) after taxation	(540.30)	227.98	68.88	60.42	(0.85)
Proposed Dividend	NIL	NIL	NIL	NIL	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.

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

Independent Auditors' Report

To the Members of
Palash Securities Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of PALASH SECURITIES LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2020, 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 March 31, 2020, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

SL No	Key Audit Matter	Response to Key Audit Matter
1.	First time adoption of Ind AS framework	Our Audit procedures included but not limited to, the following:
	The Company has adopted the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 1 April 2019 (1 April 2018 being the transition date) and prepared the first set of standalone financial statements under Ind AS framework in the current year. For periods up to and including the year ended 31 March 2019, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).	Obtained an understanding of management's processes and controls around adoption of Ind AS. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness. Reviewed the diagnostics performed by the management to assess the impact on Ind AS transition to the individual financial statement line items.

SL No	Key Audit Matter	Response to Key Audit Matter
1.	<p>First time adoption of Ind AS framework</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement which involved significant efforts required by the management. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Company including electing of available options for transition of balances as at transition date from the previous GAAP to the new GAAP.</p> <p>Further, the first time preparation of the Ind AS standalone financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 33 to the standalone financial statements setting forth the reconciliation of balances from previous GAAP to the Ind AS at the transition date, and the impact of restatement on the results of the comparative period due to such transition.</p> <p>Considering the significance of the above transition with respect to the standalone financial statements, the complexities and efforts involved, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our Audit procedures included but not limited to, the following:</p> <p>Reviewed the implementation of exemptions availed and options chosen by the Company in accordance with the requirements of Ind AS 101, first time adoption of Indian Accounting Standards (Ind AS 101).</p> <p>Evaluated the accounting policies adopted by the Company on transition to Ind AS and assessed its appropriateness basis our understanding of the entity and its operations and the requirements of relevant accounting standards under the Ind AS framework.</p> <p>Tested whether the presentation and disclosures in the standalone financial statements are in accordance with the requirements of the applicable standards and regulatory requirements.</p> <p>Evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the standalone financial statements in accordance with Ind AS 101.</p>

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, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the 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.

Place: Kolkata
Date: 25th June, 2020.

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

Prosanta Mukherjee
Partner
Membership No. – 053651
UDIN: 20053651AAAAAU8931

Annexure – A

to the Independent Auditors' Report on the Financial Statements of Palash Securities Limited as on 31st March, 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the Standalone Ind AS financial statements as on 31 March, 2020)

- 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 to company.
- 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

Prosanta Mukherjee
Partner
Membership No. – 053651
UDIN: 20053651AAAAAU8931

Place: Kolkata
Date: 25th June, 2020.

Annexure – B

to the Independent Auditors' Report on the Financial Statements of Palash Securities Limited as on 31st March, 2020

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the Standalone Ind AS financial statements as on 31 March, 2020)

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

Place: Kolkata
Date: 25th June, 2020.

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

Prosanta Mukherjee
Partner
Membership No. – 053651
UDIN: 20053651AAAAAU8931

Balance Sheet as on 31 March 2020

₹ in lakhs

Particulars	Notes	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
1. Financial Assets				
(a) Cash and Cash Equivalents	4	2.87	14.08	19.59
(b) Receivables				
(I) Trade Receivables	5	-	-	-
(II) Other Receivables	5	8.45	-	-
(c) Investments	6	2,210.85	2,234.47	2,235.27
(d) Other Financial Assets	7	0.60	0.60	0.60
Total Financial Assets		2,222.77	2,249.15	2,255.46
2. Non-financial Assets				
(a) Current Tax Assets (net)	8	5.70	4.11	2.07
(b) Investment Property	9	41.53	44.68	39.73
(c) Property, Plant and Equipment	9	0.06	0.07	0.08
(d) Capital Work-in-Progress	9	-	-	7.21
(e) Other Non-financial Assets	10	0.65	0.31	1.26
Total Non-financial Assets		47.94	49.17	50.35
TOTAL ASSETS		2,270.71	2,298.32	2,305.81
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial Liabilities				
(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	6.15	4.11	4.52
(b) Deposits	12	67.14	70.71	79.23
(c) Subordinated Liabilities	13	230.44	216.92	202.92
(d) Other Financial Liabilities	14	16.58	16.58	16.58
Total Financial Liabilities		320.31	308.32	303.25
2. Non-financial Liabilities				
(a) Other Non-financial Liabilities	15	5.01	11.34	16.09
Total Non-financial Liabilities		5.01	11.34	16.09
Total Liabilities		325.32	319.66	319.34
EQUITY				
(a) Equity Share Capital	16	1,000.31	1,000.31	1,000.31
(b) Other Equity	17	945.08	978.35	986.16
Total Equity		1,945.39	1,978.66	1,986.47
TOTAL LIABILITIES AND EQUITY		2,270.71	2,298.32	2,305.81
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

Prosanta Mukherjee

 Partner
 Membership No.: 053651
 Place: Kolkata
 Date: 25 June 2020

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 2020

₹ in lakhs

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I. Revenue from Operations			
(i) Interest Income	18	6.30	6.31
(ii) Dividend Income		0.64	0.40
Total Revenue from Operations		6.94	6.71
II. Other Income			
(i) Rental Income		36.57	36.88
(ii) Other Income	19	0.15	0.01
Total Other Income		36.72	36.89
III. Total Income (I + II)		43.66	43.60
IV. Expenses			
(i) Finance Costs	20	19.95	20.48
(ii) Fees and Commission Expenses	21	6.73	7.01
(iii) Depreciation Expenses	22	2.37	2.27
(iv) Other Expenses	23	24.26	19.20
Total Expenses		53.31	48.96
V. Profit / (Loss) before Exceptional Items and Tax (III - IV)		(9.65)	(5.36)
VI. Exceptional Items		-	-
VII. Profit / (Loss) before Tax (V - VI)		(9.65)	(5.36)
VIII. Tax expense			
Current tax	24	-	1.65
Deferred tax	24	-	-
Total Tax expenses		-	1.65
IX. Profit / (Loss) for the year (VII-VIII)		(9.65)	(7.01)
X. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Equity investments through other comprehensive income - net change in fair value		(23.62)	(0.80)
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of income tax		(23.62)	(0.80)
XI. Total comprehensive income for the year (XI + X)		(33.27)	(7.81)
XII. Earnings per equity share [Nominal value per equity share ₹10 (₹10)]			
(a) Basic (₹)	25	(0.10)	(0.07)
(b) Diluted (₹)	25	(0.10)	(0.07)
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

Prosanta Mukherjee

Partner

Membership No.: 053651

Place: Kolkata

Date: 25 June 2020

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 Changes in Equity for the year ended 31 March 2020

A. Equity Share Capital

Particulars	Notes	As at 31 March 2020		As at 31 March 2019	
		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 2018	1,635.40	(708.47)	59.23	986.16
Total comprehensive income for the year				
- Profit	-	(7.01)	-	(7.01)
- Net change in fair value of Equity investments	-	-	(0.80)	(0.80)
Total comprehensive income	-	(7.01)	(0.80)	(7.81)
Balance as at 31 March 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

The description of the 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.

(b) Retained Earnings

It comprise of accumulated profit / (loss) of the Company.

(c) Equity Instruments through other comprehensive income (OCI)

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

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

Prosanta Mukherjee
Partner
Membership No.: 053651
Place: Kolkata
Date: 25 June 2020

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 2020

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	(9.65)	(5.36)
Adjustments for:		
Interest Income	(6.30)	(6.31)
Finance Costs	19.95	20.48
Depreciation Expenses	2.37	2.27
Loss on Sale / Discard of Property, Plant and Equipment (net)	0.79	-
	7.16	11.08
Working capital adjustments:		
Increase in Receivables	(8.45)	-
(Increase) / Decrease in Other Non-financial Assets	(0.34)	0.95
Increase / (Decrease) in Payables	2.04	(0.41)
Increase in Other Non-financial Liabilities	(0.03)	1.56
Cash Generation from Operations	0.38	13.18
Income tax paid (net)	(1.59)	(3.69)
Net Cash (used in) / generated from Operating Activities	(1.21)	9.49
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Net Cash generated from Investing Activities	-	-
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Deposits	(10.00)	(15.00)
Net Cash used in Financing Activities	(10.00)	(15.00)
Net Changes in Cash & Cash Equivalents (A + B + C)	(11.21)	(5.51)
Cash & Cash Equivalents at the beginning of the year	14.08	19.59
Cash & Cash Equivalents at the end of the year	2.87	14.08

Change in Liabilities arising from financing activities

₹ in lakhs

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

Particulars	As on 1 April 2018	Cash Flow	Change in Fair Value	As on 31 March 2019
Deposits [Note 12]	79.23	(15.00)	6.48	70.71
Subordinated Liabilities [Note 13]	202.92	-	14.00	216.92

As per our report of even date attached

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Prosanta Mukherjee

Partner

Membership No.: 053651

Place: Kolkata

Date: 25 June 2020

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 Mar 2020

1. Reporting entity

Palash Securities Limited ('the Company') is a public company domiciled and headquartered in India, having its registered office situated at Hargaon, District Sitapur in the state of Uttar Pradesh. The Company is incorporated under the provisions of the Companies Act. Its shares were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The main objective of the Company is to invest etc. 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) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as per Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2020 are the first, which has prepared in accordance with Ind AS. Refer to Note 33 for information on how the Company adopted Ind AS.

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 reported amount of revenues, expenses, assets, liabilities and the accompanying disclosures as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

Judgements

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.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

Classification and subsequent measurement

i) Financial assets

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

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

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

ii) Financial assets at amortised cost

A financial 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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

iii) Financial assets at FVOCI

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

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

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

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

iv) Financial assets at FVTPL

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

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

Financial assets: Assessment whether contractual cash flows are SPPI.

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

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

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

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

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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

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

vii) **Financial liabilities at FVTPL**

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

viii) **Financial liabilities at amortised cost**

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

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

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

Derecognition

i) **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

ii) **Financial liabilities**

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

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

Offsetting

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

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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.

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

3.2 Cash and cash equivalents

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

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

3.3 Investment properties

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

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 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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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.

3.6 Lease

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1 April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). During the periods reported in these financial statements, the Company has lease contracts, if any, in the nature of short-term and low value only. Hence, there is no impact of adoption of Ind AS 116 on these financial statements.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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.

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.

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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.

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

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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.

Minimum Alternative Tax (MAT) Credit

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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.

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

4. Cash and cash equivalents

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Cash on hand	0.01	0.02	0.02
Balances with banks			
- Current accounts	2.86	12.03	19.57
Cheques on hand	-	2.03	-
	2.87	14.08	19.59

5. Receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>Unsecured, considered good</i>			
Trade receivables	-	-	-
Other receivables	8.45	-	-
	8.45	-	-

- (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 debts are disclosed in Note 31 (C).

6. Investments

₹ in lakhs

Particulars	Face Value of Share (₹)	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Equity shares carried at FVOCI - (Quoted)				
13,614 (31 March 2019: 6,807; 1 April 2018: 6,807) equity shares of Avadh Sugar & Energy Ltd.	10.00	16.09	32.52	30.93
20,238 (31 March 2019: 14,456; 1 April 2018: 14,456) equity shares of Magadh Sugar & Energy Ltd.	10.00	13.28	16.79	17.10
16,060 (31 March 2019: 16,060; 1 April 2018: 16,060) equity shares of Ganges Securities Ltd.	10.00	3.47	7.15	11.90
		32.84	56.46	59.93
Equity shares carried at FVOCI - (Unquoted)				
1,920 (31 March 2019: 1,920; 1 April 2018: 1,920) equity shares of Birla Building Ltd.	10.00	7.97	7.97	7.40
745 (31 March 2019: 745; 1 April 2018: 745) equity shares of Moon Corporation Ltd. ('A' Class)	100.00	5.21	5.21	3.68
2,502 (31 March 2019: 2,502; 1 April 2018: 2,502) equity shares of Moon Corporation Ltd. ('B' Class)	5.00	0.87	0.87	0.62
25 (31 March 2019: 25; 1 April 2018: 25) equity shares of The Oudh Trading Company Pvt. Ltd.	100.00	2.34	2.34	2.02
70 (31 March 2019: 70; 1 April 2018: 70) equity shares of Bihar State Financial Corporation Ltd.	100.00	-	-	-
		16.39	16.39	13.72

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

6. Investments (Contd.)

₹ in lakhs

Particulars	Face Value of Share (₹)	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Equity shares of Subsidiaries carried at amortised cost - (Unquoted)				
1,09,84,588 (31 March 2019: 1,09,84,588; 1 April 2018: 1,09,84,588) equity shares of Allahabad Canning Ltd.	10.00	1,098.46	1,098.46	1,098.46
30,45,727 (31 March 2019: 30,45,727; 1 April 2018: 30,45,727) equity shares of Hargaon Investment & Trading Ltd.	10.00	609.14	609.14	609.14
17,40,418 (31 March 2019: 17,40,418; 1 April 2018: 17,40,418) equity shares of OSM Investment & Trading Ltd.	10.00	261.06	261.06	261.06
43,49,000 (31 March 2019: 43,49,000; 1 April 2018: 43,49,000) equity shares of Champaran Marketing Company Ltd.	2.50	192.96	192.96	192.96
		2,161.62	2,161.62	2,161.62
		2,210.85	2,234.47	2,235.27
Investments outside India		-	-	-
Investments in India		2,210.85	2,234.47	2,235.27
		2,210.85	2,234.47	2,235.27

- (a) The Company received dividends of ₹ **0.64 lakhs** (31 March 2019: ₹ 0.40 lakhs) from its investments in equity shares, carried at FVOCI, recorded 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 2019-20 and there were no transfer of any cumulative gain or loss within equity relating to these investments.

7. Other Financial Assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>At amortised cost</i>			
Security deposits	0.60	0.60	0.60
	0.60	0.60	0.60

8. Current Tax Assets (net)

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Advance tax including self assessment tax and tax deducted at sources	5.70	5.76	2.07
Less: Provision for taxation	-	1.65	-
	5.70	4.11	2.07

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

9. Investment Property, Property, Plant and Equipment (PPE) and Capital Work-in-progress (CWIP)

₹ in lakhs

Particulars	Investment Property			PPE - Buildings	Capital Work-in-progress
	Freehold Land	Buildings	Total		
Reconciliation of carrying amount					
Cost or deemed cost					
(gross carrying amount)					
Balance at 1 April 2018	9.89	29.84	39.73	0.08	7.21
Additions during the year	-	7.21	7.21	-	-
Transfer to PPE from CWIP	-	-	-	-	7.21
Balance at 31 March 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	9.89	36.25	46.14	0.08	-
Accumulated depreciation					
Depreciation for 2018-19	-	2.26	2.26	0.01	
Balance at 31 March 2019	-	2.26	2.26	0.01	
Depreciation for 2019-20	-	2.36	2.36	0.01	
Disposals / discard during 2019-20	-	0.01	0.01	-	
Balance at 31 March 2020	-	4.61	4.61	0.02	
Carrying amount (net)					
At 1 April 2018	9.89	29.84	39.73	0.08	7.21
At 31 March 2019	9.89	34.79	44.68	0.07	-
At 31 March 2020	9.89	31.64	41.53	0.06	-

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Freehold Land	530.13	514.69	499.70
Buildings	31.64	34.79	29.84
Total	561.77	549.48	529.54

10. Other Non-financial Assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>(Unsecured, considered good)</i>			
Advances other than Capital Advances			
Advances to suppliers	0.65	0.31	0.80
Other advances			
- Balance with government authorities	-	-	0.36
- Prepaid expenses	-	-	0.10
	0.65	0.31	1.26

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

11. Payables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises; and	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.15	4.11	4.52
	6.15	4.11	4.52
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	-	-	-
Total	-	-	-
(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 2020	As at 31 March 2019	As at 1 April 2018
<i>At amortised cost</i>			
Security deposits taken against investment property	67.14	70.71	79.23
	67.14	70.71	79.23

13. Subordinated Liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (at amortised cost)	230.44	216.92	202.92
	230.44	216.92	202.92

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 Mar 2020 (Contd.)

14. Other Financial Liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Liabilities for capital goods	16.58	16.58	16.58
	16.58	16.58	16.58

15. Other Non-financial Liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Statutory dues	1.85	1.88	0.32
Deferred income on security deposits	3.16	9.46	15.77
	5.01	11.34	16.09

16. Share Capital

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Authorised:			
1,35,00,000 equity shares of ₹ 10 each	1,350.00	1,350.00	1,350.00
15,00,000 preference shares of ₹ 10 each	150.00	150.00	150.00
	1,500.00	1,500.00	1,500.00
Issued, subscribed and fully paid-up:			
1,00,03,102 equity shares of ₹ 10 each	1,000.31	1,000.31	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 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 2020		As at 31 March 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning and 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 Mar 2020 (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 2020		As at 31 March 2019	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid up held by				
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	6,64,129	6.64	5,59,129	5.59
NCCRPS of ₹ 10 each fully paid up held by				
Sutlej Textiles & Industries Limited	13,00,000	100.00	13,00,000	100.00

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

₹ in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
<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

	As at 1 April 2018	Profit / (Loss) during the year	As at 31 March 2019	Profit / (Loss) during the year	As at 31 March 2020
Capital Reserve	1,635.40	-	1,635.40	-	1,635.40
Retained Earnings	(708.47)	(7.01)	(715.48)	(9.65)	(725.13)
Equity Instruments through OCI	59.23	(0.80)	58.43	(23.62)	34.81
	986.16	(7.81)	978.35	(33.27)	945.08

18. Interest Income

₹ in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
Other Interest Income		
On Security deposits	6.30	6.31
	6.30	6.31

19. Other Income

₹ in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
Interest on refund from income tax department	0.15	0.01
	0.15	0.01

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

20. Finance Costs

₹ in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
<i>On Financial Liabilities measured at amortised cost:</i>		
Interest on Deposits	6.43	6.48
Interest on Subordinated Liabilities	13.52	14.00
	19.95	20.48

21. Fees and Commission Expenses

₹ in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
Listing and Other Regulatory Fees	6.67	6.95
Fees related to ROC matters	0.06	0.06
	6.73	7.01

22. Depreciation Expenses

₹ in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on Investment Property	2.36	2.26
Depreciation on Property, Plant and Equipment	0.01	0.01
	2.37	2.27

23. Other Expenses

₹ in lakhs

	Year ended 31 March 2020		Year ended 31 March 2019	
Rent, Tax and Energy Costs		2.11		2.17
Repairs and Maintenance		7.17		5.18
Communication Costs		1.60		1.80
Printing and Stationery		3.15		3.13
Advertisement and Publicity		0.84		0.70
Director's Sitting Fees		1.38		1.53
Auditor's Fee and Expenses				
<i>As Auditors</i>				
- Statutory audit	1.00		1.00	
- Limited review of quarterly results	0.60		0.60	
<i>In other capacity</i>				
- For certificates and other services	1.75	3.35	1.00	2.60
Legal and Professional Charges		3.16		1.82
Insurance		0.25		0.17
Loss on Sales / Discard of Property, Plant and Equipment (net)		0.79		-
Other Expenses		0.46		0.10
		24.26		19.20

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

24. Tax expense

₹ in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	-	1.65
Deferred tax		
Attributable to origination and reversal of temporary differences	-	-
Total tax expense for the year	-	1.65

Reconciliation of effective tax rate

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Rate	₹ in lakhs	Rate	₹ in lakhs
Profit / (Loss) before tax		(9.65)		(5.36)
Tax using the Company's domestic tax rate	22.88%	(2.21)	26.00%	(1.39)
Tax effect of:				
- Deferred tax expense adjusted with deferred tax assets not recognised		(89.82)		(11.98)
- 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		-
- Time barred carried forward business losses		-		5.73
- Interest expense on Preference shares classified as subordinated liability not deductible for tax purposes		3.09		3.64
- Other permanent differences		4.18		5.65
Effective tax rate		-		1.65

The Company has, so far, exercised the option for payment of income tax at reduced rate as per the provisions of Section 115 BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 with effect from financial year commencing 1 April 2019.

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 2020	Year ended 31 March 2019
(i) Profit / (Loss) attributable to equity shareholders (₹ in lakhs)	(9.65)	(7.01)
(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 (₹)	(0.10)	(0.07)

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (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.

₹ 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
Total Assets	18.27	2,252.44	2,270.71
<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
Total Liabilities	94.88	230.44	325.32
Net Assets [Total Assets - Total Liabilities]	(76.61)	2,022.00	1,945.39

₹ in lakhs

Particulars	As at 31 March 2019		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	14.08	-	14.08
Investments	-	2,234.47	2,234.47
Other Financial Assets	0.60	-	0.60
<i>Non-financial Assets:</i>			
Current Tax Assets (net)	4.11	-	4.11
Investment Property	-	44.68	44.68
Property, Plant and Equipment	-	0.07	0.07
Other Non-financial Assets	0.31	-	0.31
Total Assets	19.10	2,279.22	2,298.32
<i>Financial Liabilities:</i>			
Payables	4.11	-	4.11
Deposits	10.00	60.71	70.71
Subordinated Liabilities	-	216.92	216.92
Other Financial Liabilities	16.58	-	16.58
<i>Non-financial Liabilities:</i>			
Other Non-financial Liabilities	8.18	3.16	11.34
Total Liabilities	38.87	280.79	319.66
Net Assets [Total Assets - Total Liabilities]	(19.77)	1,998.43	1,978.66

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

27. Maturity analysis of assets and liabilities (Contd.)

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 2018		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	19.59	-	19.59
Investments	-	2,235.27	2,235.27
Other Financial Assets	0.60	-	0.60
<i>Non-financial Assets:</i>			
Current Tax Assets (net)	2.07	-	2.07
Investment Property	-	39.73	39.73
Property, Plant and Equipment	-	0.08	0.08
Capital Work-in-Progress	-	7.21	7.21
Other Non-financial Assets	1.26	-	1.26
Total Assets	23.52	2,282.29	2,305.81
<i>Financial Liabilities:</i>			
Payables	4.52	-	4.52
Deposits	15.00	64.23	79.23
Subordinated Liabilities	-	202.92	202.92
Other Financial Liabilities	16.58	-	16.58
<i>Non-financial Liabilities:</i>			
Other Non-financial Liabilities	6.63	9.46	16.09
Total Liabilities	42.73	276.61	319.34
Net Assets [Total Assets - Total Liabilities]	(19.21)	2,005.68	1,986.47

28. The COVID-19 outbreak and resulted national lockdown imposed by the Government of India has caused Pan-India disruption of business. There is no effect on operations of the Company.

The Company has considered the possible risk that may result from the pandemic on the carrying amount of its financial and non-financial assets, for which the Company has used the principles of prudence in applying judgments and assumptions as well as the internal / external information available upto the date of approval of these financial statements and the same does not have any material impact on these financial statements. The Company will continue to closely monitor any material changes to 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 exists during the year

Wholly owned Subsidiary Companies	Allahabad Canning Limited	- Wholly owned Subsidiary
	Champanan Marketing Company Limited	- Wholly owned Subsidiary
	Hargaon Investment & Trading Company Limited	- Wholly owned Subsidiary
	OSM Investment & Trading Company Limited	- Wholly owned Subsidiary
	Hargaon Properties Limited	- Step down Subsidiary

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

29. Related Party Disclosures (Contd.)

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

Related parties with whom transactions have taken place during the year

Key management personnel	Mrs. Shalini Nopany	– Chairperson / Non-Executive Director
	Mr. Chandra Shekhar Nopany	– Chairperson / Non-Executive Director (upto 8 November 2018)
	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	– Additional Director (w.e.f. 7 February 2020)
	Mr. Bal Kishore Malpani	– Independent / 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:

Director's sitting fees

₹ in lakhs

Particulars	Year ended	Director's sitting fees	Amount owed to related parties
Mrs. Shalini Nopany	31 March 2020	0.15	-
	31 March 2019	0.20	-
Mr. Chandra Shekhar Nopany	31 March 2020	-	-
	31 March 2019	0.15	-
Mr. Arun Kumar Newar	31 March 2020	0.45	-
	31 March 2019	0.45	-
Mr. Chhedi Lal Agarwal	31 March 2020	0.45	-
	31 March 2019	0.45	-
Mr. Dinesh Kacholia	31 March 2020	0.23	-
	31 March 2019	0.23	-
Mr. Bal Kishore Malpani	31 March 2020	0.10	-
	31 March 2019	0.05	-

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

- The Company has neither given any loan nor has advanced any amount either during the year ended 31 March 2020 or year ended 31 March 2019.
- 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

- The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.
- For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- The sitting fees of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

- 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 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets				
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
	391.36	(91.63)	2.46	302.19
Less : Deferred tax assets not recognised	379.57	(89.82)	2.48	292.23
	11.79	(1.81)	(0.02)	9.96
Deferred tax liabilities				
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
	11.79	(1.81)	(0.02)	9.96
Net deferred tax assets	-	-	-	-

Particulars	As at 1st April 2018	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	398.97	(12.32)	-	386.65
MAT credit entitlement	-	1.63	-	1.63
Investments - Quoted Equity Shares	2.72	-	0.36	3.08
	401.69	(10.69)	0.36	391.36
Less : Deferred tax assets not recognised	391.73	(11.98)	(0.18)	379.57
	9.96	1.29	0.54	11.79
Deferred tax liabilities				
Investments - Unquoted Equity Shares	2.18	-	0.54	2.72
Investment Property	7.76	1.29	-	9.05
Property, plant and equipments	0.02	-	-	0.02
	9.96	1.29	0.54	11.79
Net deferred tax assets	-	-	-	-

Notes to financial statements as at and for the year ended 31 Mar 2020 (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	
As at 31 March 2020					
Financial assets					
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
	-	49.23	2,173.54	2,222.77	2,222.77
Financial liabilities					
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
	-	-	320.31	320.31	320.31
As at 31 March 2019					
Financial assets					
Investment in equity shares (Quoted)	-	56.46	-	56.46	56.46
Investment in equity shares (Unquoted)	-	16.39	-	16.39	16.39
Cash and cash equivalents	-	-	14.08	14.08	14.08
Receivables	-	-	-	-	-
Investment in Subsidiaries	-	-	2,161.62	2,161.62	2,161.62
Other financial assets	-	-	0.60	0.60	0.60
	-	72.85	2,176.30	2,249.15	2,249.15
Financial liabilities					
Payables	-	-	4.11	4.11	4.11
Deposits	-	-	70.71	70.71	70.71
Subordinated liabilities	-	-	216.92	216.92	216.92
Other financial liabilities	-	-	16.58	16.58	16.58
	-	-	308.32	308.32	308.32
As at 1 April 2018					
Financial assets					
Investment in equity shares (Quoted)	-	59.93	-	59.93	59.93
Investment in equity shares (Unquoted)	-	13.72	-	13.72	13.72
Cash and cash equivalents	-	-	19.59	19.59	19.59
Receivables	-	-	-	-	-
Investment in Subsidiaries	-	-	2,161.62	2,161.62	2,161.62
Other financial assets	-	-	0.60	0.60	0.60
	-	73.65	2,181.81	2,255.46	2,255.46
Financial liabilities					
Payables	-	-	4.52	4.52	4.52
Deposits	-	-	79.23	79.23	79.23
Subordinated liabilities	-	-	202.92	202.92	202.92
Other financial liabilities	-	-	16.58	16.58	16.58
	-	-	303.25	303.25	303.25

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 determined using combination of different methodologies i.e. discounted cash flow method, comparable Companies method and net assets method with different weightage. The discount rate used is based on management estimates.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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

B. Measurement of fair values

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

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

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

₹ in lakhs

Particulars	Note	Level 1	Level 2	Level 3	Total
As at 31 March 2020					
Investment in equity shares (Quoted)	6	32.84	-	-	32.84
Investment in equity shares (Unquoted)	6	-	-	16.39	16.39
As at 31 March 2019					
Investment in equity shares (Quoted)	6	56.46	-	-	56.46
Investment in equity shares (Unquoted)	6	-	-	16.39	16.39
As at 1 April 2018					
Investment in equity shares (Quoted)	6	59.93	-	-	59.93
Investment in equity shares (Unquoted)	6	-	-	13.72	13.72

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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

C. Financial risk management (Contd.)

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 2020	As at 31 March 2019	As at 1 April 2018
Corporate bodies in relation to rental income	8.45	-	-

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 2020	8.45	-	-	-	-	8.45
As at 31 March 2019	-	-	-	-	-	-
As at 1 April 2018	-	-	-	-	-	-

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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

C. Financial risk management (Contd.)

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
As at 31 March 2020						
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	-	-	-
	320.31	355.39	92.73	-	262.66	-
As at 31 March 2019						
Payables	4.11	4.11	4.11	-	-	-
Deposits	70.71	80.00	10.00	70.00	-	-
Subordinated Liabilities*	216.92	262.66	-	-	-	262.66
Other financial liabilities	16.58	16.58	16.58	-	-	-
	308.32	363.35	30.69	70.00	-	262.66
As at 1 April 2018						
Payables	4.52	4.52	4.52	-	-	-
Deposits	79.23	95.00	15.00	10.00	70.00	-
Subordinated Liabilities*	202.92	262.66	-	-	-	262.66
Other financial liabilities	16.58	16.58	16.58	-	-	-
	303.25	378.76	36.10	10.00	70.00	262.66

* including estimated dividend as finance cost.

(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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

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

C. Financial risk management (Contd.)

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 2020	As at 31 March 2019	As at 1 April 2018
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities	230.44	216.92	202.92
Variable rate instruments			
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 2020	31 March 2019	31 March 2020	31 March 2019
BSE - increase by 10%	3.28	5.65	2.53	4.18
BSE - decrease by 10%	(3.28)	(5.65)	(2.53)	(4.18)

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.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

33. Explanation of transition to Ind AS

As stated in Note 2.1, the Company has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March 2020, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014 read with the Companies (Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP'). The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2020 including the comparative information for the year ended 31 March 2019 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2018. In preparing its Ind AS balance sheet as at 1 April 2018 and in presenting the comparative information for the year ended 31 March 2019, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

(a) Investment Property

As per Ind AS 101 an entity may elect to:

- (i) measure an item of investment property at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use carrying values of investment property as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of investment property. There is no decommissioning liabilities to be incurred by the Company relating to investment property.

(b) Property, plant and equipment

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:
 - fair value;
 - or cost or depreciated cost under Ind AS adjusted to reflect.
- (iii) use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. There is no decommissioning liabilities to be incurred by the Company relating to property, plant and equipment.

(c) Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition i.e. 1 April 2018 on the basis of facts and circumstances existed at the date of transition to Ind AS.

(d) Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable.

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

33. Explanation of transition to Ind AS (Contd.)

B. Mandatory exceptions

a) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement.

(b) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

(c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

C. Reconciliation of equity

₹ in lakhs

Particulars	Notes	As at 31 March 2019		
		Reclassified Previous GAAP	Effect of transition to Ind-AS	Ind-AS
ASSETS				
1 Financial Assets				
(i) Cash and Cash Equivalents		14.08	-	14.08
(ii) Investments	(a)	2,176.04	58.43	2,234.47
(iii) Other Financial Assets		0.60	-	0.60
Total Financial Assets		2,190.72	58.43	2,249.15
2 Non-financial Assets				
(i) Current Tax Assets (net)		4.11	-	4.11
(ii) Investment Property		44.68	-	44.68
(iii) Property, Plant and Equipment		0.07	-	0.07
(iv) Other Non-financial Assets		0.31	-	0.31
Total Non-financial Assets		49.17	-	49.17
TOTAL ASSETS		2,239.89	58.43	2,298.32

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

33. Explanation of transition to Ind AS (Contd.)

C. Reconciliation of equity (Contd.)

₹ in lakhs

Particulars	Notes	As at 31 March 2019		
		Reclassified Previous GAAP	Effect of transition to Ind-AS	Ind-AS
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(i) Payables		4.11	-	4.11
(ii) Deposits	(b)	80.00	(9.29)	70.71
(iii) Subordinated Liabilities	(b)	130.00	86.92	216.92
(iv) Other Financial Liabilities		16.58	-	16.58
Total Financial Liabilities		230.69	77.63	308.32
2 Non-financial Liabilities				
(i) Other Non-financial Liabilities	(b)	1.88	9.46	11.34
Total Non-financial Liabilities		1.88	9.46	11.34
TOTAL LIABILITIES		232.57	87.09	319.66
EQUITY				
(i) Equity Share Capital		1,000.31	-	1,000.31
(ii) Other Equity	(c)	1,007.01	(28.66)	978.35
TOTAL EQUITY		2,007.32	(28.66)	1,978.66
TOTAL EQUITY AND LIABILITIES		2,239.89	58.43	2,298.32

₹ in lakhs

Particulars	Notes	As at 1st April 2018		
		Reclassified Previous GAAP	Effect of transition to Ind-AS	Ind-AS
ASSETS				
1 Financial Assets				
(i) Cash and Cash Equivalents		19.59	-	19.59
(ii) Investments	(a)	2,176.04	59.23	2,235.27
(iii) Other Financial Assets		0.60	-	0.60
Total Financial Assets		2,196.23	59.23	2,255.46
2 Non-financial Assets				
(i) Current Tax Assets (net)		2.07	-	2.07
(ii) Investment Property		39.73	-	39.73
(iii) Property, Plant and Equipment		0.08	-	0.08
(iv) Capital Work-in-Progress		7.21	-	7.21
(iv) Other Non-financial Assets		1.26	-	1.26
Total Non-financial Assets		50.35	-	50.35
TOTAL ASSETS		2,246.58	59.23	2,305.81
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(i) Payables		4.52	-	4.52
(ii) Deposits	(b)	95.00	(15.77)	79.23
(iii) Subordinated Liabilities	(b)	130.00	72.92	202.92
(iv) Other Financial Liabilities		16.58	-	16.58
Total Financial Liabilities		246.10	57.15	303.25
2 Non-financial Liabilities				
(i) Other Non-financial Liabilities	(b)	0.32	15.77	16.09
Total Non-financial Liabilities		0.32	15.77	16.09
TOTAL LIABILITIES		246.42	72.92	319.34
EQUITY				
(i) Equity Share Capital		1,000.31	-	1,000.31
(ii) Other Equity	(c)	999.85	(13.69)	986.16
TOTAL EQUITY		2,000.16	(13.69)	1,986.47
TOTAL EQUITY AND LIABILITIES		2,246.58	59.23	2,305.81

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

33. Explanation of transition to Ind AS (Contd.)

D Reconciliation of total comprehensive income

₹ in lakhs

Particulars	Year ended 31 March 2019		
	Reclassified Previous GAAP	Effect of transition to Ind-AS	Ind-AS
I. Revenue from Operations			
(i) Interest Income (b)	-	6.31	6.31
(ii) Dividend Income	0.40	-	0.40
Total Revenue from Operations	0.40	6.31	6.71
II. Other Income			
(i) Rental Income	36.88	-	36.88
(ii) Other Income	0.01	-	0.01
Total Other Income	36.89	-	36.89
III. Total Income (I + II)	37.29	6.31	43.60
IV. Expenses			
(i) Finance Costs (b)	-	20.48	20.48
(ii) Fees and Commission Expenses	7.01	-	7.01
(iii) Depreciation Expense	2.27	-	2.27
(iv) Other Expenses	19.20	-	19.20
Total Expenses	28.48	20.48	48.96
V. Profits before tax (III - IV)	8.81	(14.17)	(5.36)
VI. Tax expense			
Current tax	1.65	-	1.65
Deferred tax	-	-	-
Total Tax expenses	1.65	-	1.65
VII. Profit for the year (V-VI)	7.16	(14.17)	(7.01)
VIII. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Equity investments through other comprehensive income - net change in fair value (a)	-	(0.80)	(0.80)
Other comprehensive income for the year, net of income tax	-	(0.80)	(0.80)
IX. Total comprehensive income for the year (VIII+IX)	7.16	(14.97)	(7.81)

E. There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

F. Notes to the reconciliations of equity as at 1 April 2018 and 31 March 2019 and total comprehensive income for the year ended 31 March 2019:

(a) Investments:

In accordance with Ind AS, financial assets representing investment in equity shares of entities have been fair valued. The Company has designated equity investments as at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in these investments being carried at cost.

The impact arising from the change is summarised as follows:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 1 April 2018
Balance sheet		
Increase in Investments - Equity shares at FVOCI	58.43	59.23
Adjustment to other comprehensive income	58.43	59.23

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

33. Explanation of transition to Ind AS (Contd.)

F. Notes to the reconciliations of equity as at 1 April 2018 and 31 March 2019 and total comprehensive income for the year ended 31 March 2019: (Contd.)

(a) Investments: (Contd)

₹ in lakhs

Particulars	Year ended 31 March 2019
Other comprehensive income	
Equity instruments through other comprehensive income - net change in fair value	(0.80)
Adjustment to other comprehensive income	(0.80)

(b) Deposits and Subordinated Liabilities:

Based on Ind AS 109, financial liabilities in the form of deposits and subordinated liabilities have been accounted at amortised cost using the effective interest rate method.

The impact arising from the change is summarised as follows:

₹ in lakhs

Particulars	As at 31 March 2019	As at 1 April 2018
Balance sheet		
Decrease in Deposits at amortised cost	9.29	15.77
Increase in Subordinated Liabilities	(86.92)	(72.92)
Increase in Other Non-financial Liabilities - Deferred Income on Security Deposits	(9.46)	(15.77)
Adjustment to retained earnings	(87.09)	(72.92)

₹ in lakhs

Particulars	Year ended 31 March 2019
Statement of Profit and Loss	
Interest Income on Security Deposits	6.31
Less: Finance costs	
- Interest on deposits	6.48
- Dividends on preference shares classified as subordinated liabilities measured at amortised cost	14.00
Adjustment to profit before tax	(14.17)

(c) Other / Total Equity

Reconciliation of other / total equity from previous GAAP to Ind AS is as follows:

₹ in lakhs

Particulars	Note	Other Equity		Total Equity	
		As at 31 March 2019	As at 1 April 2018	As at 31 March 2019	As at 1 April 2018
As per previous GAAP		1,007.01	999.85	2,007.32	2,000.16
Increase in Investments - Equity shares at FVOCI	(a)	58.43	59.23	58.43	59.23
Decrease in Deposits at amortised cost	(b)	9.29	15.77	9.29	15.77
Increase in Subordinated Liabilities	(b)	(86.92)	(72.92)	(86.92)	(72.92)
Increase in Other Non-financial Liabilities - Deferred Income on Security Deposits	(b)	(9.46)	(15.77)	(9.46)	(15.77)
As per Ind AS		978.35	986.16	1,978.66	1,986.47

Notes to financial statements as at and for the year ended 31 Mar 2020 (Contd.)

33. Explanation of transition to Ind AS (Contd.)

F. Notes to the reconciliations of equity as at 1 April 2018 and 31 March 2019 and total comprehensive income for the year ended 31 March 2019: (Contd.)

(d) Total Comprehensive Income

Reconciliation of Profit after tax and Other Comprehensive Income from previous GAAP to Ind AS is as follows:

₹ in lakhs

Particulars	Note	Year ended 31 March 2019		
		Profit / (Loss) after tax	Other Comprehensive Income	Total Comprehensive Income
As per previous GAAP		7.16	-	7.16
Equity instruments through other comprehensive income - net change in fair value	(a)	-	(0.80)	(0.80)
Interest Income on Security Deposits	(b)	6.31	-	6.31
Finance costs - Interest on deposits	(b)	(6.48)	-	(6.48)
Finance costs - Dividends on preference shares classified as subordinated liabilities at amortised cost	(b)	(14.00)	-	(14.00)
As per Ind AS		(7.01)	(0.80)	(7.81)

34. The previous year's including figures as at the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary on transition to Ind AS. Amounts and other disclosures for the preceding years including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Prosanta Mukherjee

Partner

Membership No.: 053651

Place: Kolkata

Date: 25 June 2020

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 2020, 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 March 31, 2020, 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.

Other Matter Paragraph

We did not audit the financial statements of the four subsidiaries (Except Champaran Marketing Company Limited which has been audited by us), whose financial statements reflect total assets of Rs 16,462.69 Lakhs as at 31st March 2020, total revenue of Rs 4,506.36 Lakhs and net cash inflows amounting to Rs (656.67) Lakhs for the year ended on that date, as considered in the Consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the Consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

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 2020. 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 We have determined the matters described below to be the key audit matters to be communicated in our report.

SL No	Key Audit Matter	Response to Key Audit Matter
1.	First time adoption of Ind AS framework	Our Audit procedures included but not limited to, the following:
	<p>The Group has adopted the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 1 April 2019 (1 April 2018 being the transition date) and prepared the first set of Consolidated financial statements under Ind AS framework in the current year.</p> <p>For periods up to and including the year ended 31 March 2019, the Company prepared its Consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement which involved significant efforts required by the management. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Company including electing of available options for transition of balances as at transition date from the previous GAAP to the Ind AS.</p> <p>Further, the first time preparation of the Ind AS Consolidated financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 34 to the Consolidated financial statements setting forth the reconciliation of balances from previous GAAP to the Ind AS at the transition date, and the impact of restatement on the results of the comparative period due to such transition.</p> <p>Considering the significance of the above transition with respect to the Consolidated financial statements, the complexities and efforts involved, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Obtained an understanding of management's processes and controls around adoption of Ind AS. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness.</p> <p>Reviewed the diagnostics performed by the management to assess the impact on Ind AS transition to the individual financial statement line items.</p> <p>Reviewed the implementation of exemptions availed and options chosen by the Company in accordance with the requirements of Ind AS 101, first time adoption of Indian Accounting Standards (Ind AS 101).</p> <p>Evaluated the accounting policies adopted by the Company on transition to Ind AS and assessed its appropriateness basis our understanding of the entity and its operations and the requirements of relevant accounting standards under the Ind AS framework.</p> <p>Tested whether the presentation and disclosures in the Consolidated financial statements are in accordance with the requirements of the applicable standards and regulatory requirements.</p> <p>Evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the Consolidated financial statements in accordance with Ind AS 101.</p>

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 31st March, 2020 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 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the 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's Registration No – 319260E

Prosanta Mukherjee
Partner
Membership No. – 053651
UDIN:20053651AAAAV7579

Place: Kolkata
Date: 25th June, 2020

Annexure –A to the Independent Auditors’ Report on the Consolidated Ind AS Financial Statements of Palash Securities Limited as on 31st March 2020

(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, 2020)

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 March 31, 2020 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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.

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

Prosanta Mukherjee
Partner
Membership No. – 053651
UDIN:20053651AAAAAV7579

Place: Kolkata
Date: 25th June, 2020

Consolidated Balance Sheet as at 31 March 2020

(₹ in lakhs)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
1. Financial Assets				
(a) Cash and Cash Equivalents	4	716.12	1,298.22	427.19
(b) Bank Balances other than (a) above	5	8.80	29.95	61.01
(c) Receivables				
(I) Trade Receivables	6	740.83	556.31	435.50
(II) Other Receivables	6	8.45	-	-
(d) Loans	7	900.00	900.00	1,050.00
(e) Investments	8	13,357.48	21,876.39	34,292.06
(f) Other Financial Assets	9	41.92	35.11	36.20
Total Financial Assets		15,773.60	24,695.98	36,301.96
2. Non-financial Assets				
(a) Inventories	10	2,054.31	1,337.82	1,231.89
(b) Current Tax Assets (net)	11	9.49	15.11	32.16
(c) Investment Property	12	41.53	44.68	39.73
(d) Property, Plant and Equipment	13	286.58	259.36	269.73
(e) Capital Work-in-Progress	14	-	-	7.21
(f) Other Non-financial Assets	15	405.29	167.98	109.35
Total Non-financial Assets		2,797.20	1,824.95	1,690.07
TOTAL ASSETS		18,570.80	26,520.93	37,992.03
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial Liabilities				
(a) Payables				
(i) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises; and	16	40.97	11.01	11.61
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	16	938.16	512.30	415.39
(b) Borrowings (Other than Debt Securities)	17	728.45	263.82	454.81
(c) Deposits	18	67.14	70.71	79.23
(d) Subordinated Liabilities	19	230.44	216.92	202.92
(e) Other Financial Liabilities	20	145.06	151.79	156.02
Total Financial Liabilities		2,150.22	1,226.55	1,319.98
2. Non-financial Liabilities				
(a) Provisions	21	120.89	105.13	107.23
(b) Other Non-financial Liabilities	22	95.72	52.97	72.70
Total Non-financial Liabilities		216.61	158.10	179.93
Total Liabilities		2,366.83	1,384.65	1,499.91
EQUITY				
(a) Equity Share Capital	23	1,000.31	1,000.31	1,000.31
(b) Other Equity	24	15,203.66	24,135.97	35,491.81
Total Equity		16,203.97	25,136.28	36,492.12
TOTAL LIABILITIES AND EQUITY		18,570.80	26,520.93	37,992.03
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

Prosanta Mukherjee

 Partner
 Membership No.: 053651

 Place: Kolkata
 Date: 25 June 2020

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

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(₹ in lakhs)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I. Revenue from Operations			
(i) Interest Income	25	150.04	148.33
(ii) Dividend Income		258.69	454.77
(iii) Sale of Products	26	4,158.75	3,931.34
Total Revenue from Operations		4,567.48	4,534.44
II. Other Income			
(i) Rental Income		36.57	36.88
(ii) Other Income	27	11.93	26.05
Total Other Income		48.50	62.93
III. Total Income (I + II)		4,615.98	4,597.37
IV. Expenses			
(i) Finance Costs	28	71.33	60.33
(ii) Fees and Commission Expenses	29	7.64	8.45
(iii) Cost of Materials Consumed	30	1,066.02	900.17
(iv) Purchases of Stock-in-trade		1,625.43	1,010.40
(v) Changes in Inventories of finished goods, stock-in-trade and work-in-progress	31	(581.45)	(119.28)
(vi) Employee Benefits Expenses	32	944.49	649.11
(vii) Depreciation Expense	33	31.55	16.96
(viii) Other Expenses	34	1,610.43	1,463.07
Total Expenses		4,775.44	3,989.21
V. Profit / (Loss) before Exceptional Items and Tax (III - IV)		(159.46)	608.16
VI. Exceptional Items		-	-
VII. Profit / (Loss) before Tax (V + VI)		(159.46)	608.16
VIII. Tax expense			
Current tax	35	39.57	44.65
Provision for tax related to earlier years	35	0.02	0.79
Provision related to earlier years no longer required written back	35	(5.52)	-
Deferred tax	35	-	-
Total Tax expenses		34.07	45.44
IX. Profit / (Loss) for the year (VII - VIII)		(193.53)	562.72
X. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined benefit liability / (asset)		(4.54)	(2.89)
(b) Equity investments through other comprehensive income - net change in fair value		(8,734.24)	(11,915.67)
(c) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of income tax		(8,738.78)	(11,918.56)
XI. Total comprehensive income for the year (IX + X)		(8,932.31)	(11,355.84)
XII. Earnings per equity share			
[Nominal value per equity share ₹ 10 (₹ 10)]			
(a) Basic (₹)	36	(1.93)	5.63
(b) Diluted (₹)	36	(1.93)	5.63
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 and on behalf of the Board of Directors

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Prosanta Mukherjee

Partner

Membership No.: 053651

Place: Kolkata

Date: 25 June 2020

Chand Bihari Patodia

Managing Director

DIN: 01389238

Mayuri Raja

Company Secretary

Shalini Nopany

Director

DIN: 00077299

Deepak Kumar Sharma

Chief Financial Officer

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

A. Equity Share Capital

Particulars	Notes	As at 31 March 2020		As at 31 March 2019	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	23	1,00,03,102	1,000.31	1,00,03,102	1,000.31
Change in equity share capital during of the year	23	-	-	-	-
Balances at the end of the year	23	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	Capital Redemption Reserve	General Reserve	Reserve Fund	Retained Earnings	Equity instruments through OCI	
Balance as at 1 April 2018	1,645.66	45.00	324.50	737.84	1,876.89	30,861.92	35,491.81
Total comprehensive income for the year							
- Profit / (Loss)	-	-	-	-	562.72	-	562.72
- Remeasurement of defined benefit liability / (asset)	-	-	-	-	(2.89)	-	(2.89)
- Net change in fair value of Equity investments	-	-	-	-	-	(11,915.67)	(11,915.67)
Total comprehensive income	-	-	-	-	559.83	(11,915.67)	(11,355.84)
Transfer to Reserve Fund from Retained Earnings	-	-	-	107.40	(107.40)	-	-
Balance as at 31 March 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	-	-	-	-	(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

The description of purpose of each reserve mentioned above within other 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

The Company and its subsidiaries had created "Reserve Fund" in accordance with provisions of Section 45-IC of the Reserve Bank of India Act, 1934.

(e) Retained Earnings

It comprise of accumulated profit / (loss) of the Company and its subsidiaries.

(f) Equity Instruments through other comprehensive income (OCI)

The Company and its subsidiaries has elected to recognise changes in the fair value of certain non-current investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity. The Company and its subsidiaries transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

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

As per our report of even date attached

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

Prosanta Mukherjee
Partner
Membership No.: 053651
Place: Kolkata
Date: 25 June 2020

For and on behalf of the Board of Directors

Chand Bihari Patodia
Managing Director
DIN: 01389238

Mayuri Raja
Company Secretary

Shalini Nopany
Director
DIN: 0007299

Deepak Kumar Sharma
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31 March 2020

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	(159.46)	608.16
Adjustments for:		
Interest Income on Security Deposits	(6.31)	(6.31)
Unspent liabilities, Provision no longer required and Unclaimed balances written back	(11.26)	(24.22)
Finance Costs	71.33	60.33
Depreciation expense	31.55	16.96
Loss on sale / discard of Property, Plant and Equipment (net)	1.96	-
Provision for Standard Assets	0.80	-
Provision for Warranties and Claims	4.81	5.01
Bad debts, irrecoverable claims and advances written off (net)	0.31	-
	(66.27)	659.93
Working capital adjustments:		
(Increase) in Receivables	(192.97)	(120.81)
Decrease in Loans	-	150.00
Decrease in Other Financial Assets	14.34	32.15
(Increase) in Inventories	(716.49)	(105.93)
(Increase) in Other Non-financial Assets	(135.32)	(58.63)
Increase in Payables	467.08	120.53
(Decrease) in Financial Liabilities	(37.00)	(4.23)
Increase / (Decrease) in Provisions	5.61	(10.00)
Increase / (Decrease) in Other Non-financial Liabilities	49.06	(13.42)
Cash (used in) / generated from Operations	(611.96)	649.59
Income tax paid (net)	(28.45)	(28.39)
Net Cash (used in) / generated from Operating Activities	(640.41)	621.20
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Proceed from Redemption of Investment	-	500.00
Payment for Purchase of Investment	(215.33)	-
Proceeds from sale of Property, Plant and Equipment	2.50	-
Acquisition of Property, Plant and Equipment	(123.24)	(4.33)
Net Cash (used in) / generated from Investing Activities	(336.07)	495.67
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from / (Repayment of) Borrowings (repayable on demand) (net)	464.63	(190.99)
Repayment of Deposits	(10.01)	(15.00)
Repayment of Lease liabilities	(8.87)	-
Interest on Lease liabilities paid	(3.13)	-
Other Interest paid	(48.24)	(39.85)
Net Cash used in Financing Activities	394.38	(245.84)
Net Changes in Cash & Cash Equivalents (A + B + C)	(582.10)	871.03
Cash & Cash Equivalents at the beginning of the year	1,298.22	427.19
Cash & Cash Equivalents at the end of the year	716.12	1,298.22

Change in Liabilities arising from financing activities

₹ in lakhs

Particulars	As on 1 April 2019	Cash Flow	Change in Fair Value	As on 31 March 2020
Borrowings (other than Debt Securities) [Note 17]	263.82	464.63	-	728.45
Deposits [Note 18]	70.71	(10.01)	6.44	67.14
Subordinated Liabilities [Note 19]	216.92	-	13.52	230.44
Particulars	As on 1 April 2018	Cash Flow	Change in Fair Value	As on 31 March 2019
Borrowings (other than Debt Securities) [Note 17]	454.81	(190.99)	-	263.82
Deposits [Note 18]	79.23	(15.00)	6.48	70.71
Subordinated Liabilities [Note 19]	202.92	-	14.00	216.92

As per our report of even date attached

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

Prosanta Mukherjee
Partner
Membership No.: 053651

Place: Kolkata
Date: 25 June 2020

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 2020

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. 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. The Company's registered office is situated at Hargaon, District Sitapur in the state of Uttar Pradesh. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

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 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act (as amended from time to time).

For all periods up to and including the year ended 31 March 2019, the Company prepared its consolidated financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2020 are the first, which has prepared in accordance with Ind AS. Refer to Note 47 for information on how the Company adopted Ind AS.

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 2020. Significant subsidiaries of the Group are:

Name	Country of incorporation	% equity interest		
		31 March 2020	31 March 2019	1 April 2018
Allahabad Canning Limited	India	100	100	100
Champaran Marketing Company Limited	India	100	100	100
Hargaon Investment & Trading Company Limited	India	100	100	100
OSM Investment & Trading Company Limited	India	100	100	100
Hargaon Properties Limited	India	100	100	10

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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. 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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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 reported amount of revenues, expenses, assets, liabilities and the accompanying disclosures as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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 21 - 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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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

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 of financial assets to achieve its business objective.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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.

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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.

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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 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 shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

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

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

(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 2020 (Contd.)

(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.

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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.

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 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

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1 April 2019. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). During the periods reported in these financial statements, the Group has lease contracts, if any, in the nature of short-term and low value only. Hence, there is no impact of adoption of Ind AS 116 on these financial statements.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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.

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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 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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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 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.

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.

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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.

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.

Minimum Alternative Tax (MAT) Credit

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

4. Cash and cash equivalents

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Cash on hand	2.74	2.45	1.28
Balances with banks			
- Current accounts	106.32	42.19	47.71
Cheques on hand	0.10	22.16	23.70
Bank deposits having maturity of three months or less of original maturities	606.96	1,231.42	354.50
	716.12	1,298.22	427.19

5. Other bank balances

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Bank deposits due to mature after three months of original maturities but not more than twelve months of the reporting date	8.80	29.95	61.01
	8.80	29.95	61.01

6. Receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade Receivables			
Considered good - Secured	16.63	23.78	32.39
Considered good - Unsecured	724.20	532.53	403.11
Considered doubtful - Unsecured	1.00	1.00	1.00
	741.83	557.31	436.50
Less: Provision for doubtful debts	1.00	1.00	1.00
	740.83	556.31	435.50
Other Receivables			
Considered good - Unsecured	8.45	-	-
	8.45	-	-
	749.28	556.31	435.50

- (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) Information about the Group's exposure to credit risks and loss allowances related to debts are disclosed in Note 45(C).

7. Loans

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>At amortised cost</i>			
Inter-corporate deposits (unsecured)	900.00	900.00	1,050.00
	900.00	900.00	1,050.00

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

8. Investments

₹ in lakhs

Particulars	Face Value of Share (₹)	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Equity shares (fully paid) carried at FVOCI - Quoted				
2,66,00,260 (31 March 2019: 2,66,00,260; 1 April 2018: 2,66,00,260) equity shares of Sutlej Textiles & Industries Limited	1.00	5,213.65	10,580.25	19,145.54
17,58,125 (31 March 2019: 17,58,125; 1 April 2018: 17,58,125) equity shares of SIL Investments Limited	10.00	1,405.62	3,038.04	6,117.40
8,59,662 (31 March 2019: 4,29,831; 1 April 2018: 4,29,831) equity shares of Avadh Sugar & Energy Limited	10.00	1,015.69	2,053.22	1,953.19
12,78,075 (31 March 2019: 9,12,912; 1 April 2018: 9,12,912) equity shares of Magadh Sugar & Energy Limited	10.00	838.42	1,060.35	1,079.97
10,14,205 (31 March 2019: 10,14,205; 1 April 2018: 10,14,205) equity shares of Ganges Securities Limited	10.00	219.07	451.32	751.53
4,39,134 (31 March 2019: 3,02,500; 1 April 2018: 3,02,500) equity shares of Chambal Fertilisers & Chemicals Limited	10.00	474.71	504.49	494.97
2,66,874 (31 March 2019: 2,66,874; 1 April 2018: 2,66,874) equity shares of New India Retailing & Investment Limited	10.00	80.06	80.06	80.06
		9,247.22	17,767.73	29,622.66
Equity shares (fully paid) carried at FVOCI - Unquoted				
37,50,000 (31 March 2019: 37,50,000; 1 April 2018: 37,50,000) equity shares of SCM Investment & Trading Company Limited	10.00	2,272.50	2,272.50	2,370.37
67,500 (31 March 2019: 67,500; 1 April 2018: 67,500) equity shares of Manbhawani Investment Limited	10.00	982.33	982.33	963.94
72,000 (31 March 2019: 72,000; 1 April 2018: 72,000) equity shares of Manavta Holdings Limited	10.00	551.40	551.40	540.19
7,47,692 (31 March 2019: 7,47,692; 1 April 2018: 7,47,692) equity shares of Shree Vihar Properties Limited	10.00	194.77	194.77	192.90
1,920 (31 March 2019: 1,920; 1 April 2018: 1,920) equity shares of Birla Building Limited	100.00	7.97	7.97	7.40
23,752 (31 March 2019: 23,752; 1 April 2018: 23,752) equity shares of Modern Diagen Services Limited	10.00	4.03	4.03	3.94
745 (31 March 2019: 745; 1 April 2018: 745) equity shares of Moon Corporation Limited - 'A' Class	100.00	5.21	5.21	3.68
25 (31 March 2019: 25; 1 April 2018: 25) equity shares of The Oudh Trading Company Private Limited	100.00	2.34	2.34	2.02
2,502 (31 March 2019: 2,502; 1 April 2018: 2,502) equity shares of Moon Corporation Limited - 'B' Class	5.00	0.87	0.87	0.62
24,500 (31 March 2019: 24,500; 1 April 2018: 24,500) equity shares of India Educational & Research Institution Private Limited	10.00	1.66	1.66	1.62
70 (31 March 2019: 70; 1 April 2018: 70) equity shares of Bihar State Financial Corporation Limited	100.00	-	-	-
3,500 (31 March 2019: 3,500; 1 April 2018: 3,500) equity shares of Taparia Limited	10.00	-	-	-
		4,023.08	4,023.08	4,086.68
Equity shares (partly paid) carried at FVOCI - Unquoted				
15,45,044 (31 March 2019: 15,45,044; 1 April 2018: 15,45,044) equity shares of Modern Diagen Services Limited (party paid by ₹ 2 each)	10.00	52.38	52.38	51.14
		52.38	52.38	51.14

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

8. Investments (Contd.)

₹ in lakhs

Particulars	Face Value of Share (₹)	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Preference shares (fully paid) carried at FVOCI - Unquoted				
Nil (31 March 2019: Nil; 1 April 2018: 5,00,000) 8% non-convertible redeemable preference shares of New India Retailing & Investment Limited (face value - ₹ 100 each, fully paid)	100.00	-	-	500.07
21,750 (31 March 2019: 21,750; 1 April 2018: 21,750) 12% non-convertible redeemable preference shares of Ganges Securities Limited	100.00	34.79	33.19	31.50
		34.79	33.19	531.57
Government securities (fully paid) carried at amortised cost - Unquoted *				
6 Years National Savings Certificates		0.01	0.01	0.01
		0.01	0.01	0.01
		13,357.48	21,876.39	34,292.06
Investments outside India		-	-	-
Investments in India		13,357.48	21,876.39	34,292.06
		13,357.48	21,876.39	34,292.06

- (a) The Group received dividends of ₹ 258.69 lakhs (31 March 2019: ₹ 454.77 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 2019-20 and there were no transfer of any cumulative gain or loss within equity relating to these investments.
- (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

* Deposited / pledged with various Government authorities.

9. Other Financial Assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Bank deposits due to mature after twelve months of the reporting date	0.80	0.80	0.80
<i>At amortised cost</i>			
Security Deposits with NSDL	18.35	11.15	12.93
Interest accrued on inter-corporate deposits	17.16	16.98	18.86
Interest accrued on bank deposits	5.61	6.18	3.61
	41.92	35.11	36.20

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

10. Inventories

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>(Value at lower of cost and net realisable value)</i>			
Raw materials	87.18	24.64	46.11
Work-in-progress	89.34	86.76	80.15
Finished goods	1,031.15	778.96	717.46
Stock-in-trade	609.92	283.24	232.07
Stores, chemicals and spare parts	236.72	164.22	156.10
	2,054.31	1,337.82	1,231.89
* includes stock in transit:			
Finished goods	-	4.11	4.80

a) Inventories are hypothecated against borrowings [Note 17].

11. Current Tax Assets (net)

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Advance tax, self assessment tax and tax deducted at sources	60.06	59.76	44.99
Less: Provision for taxation	50.57	44.65	12.83
	9.49	15.11	32.16

12. Investment Property

₹ in lakhs

Particulars	Freehold Land	Buildings	Total
Reconciliation of carrying amount			
Cost or deemed cost (gross carrying amount)			
Balance at 1 April 2018	9.89	29.84	39.73
Additions during the year	-	7.21	7.21
Disposals / discard during the year	-	-	-
Balance at 31 March 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
Accumulated depreciation			
Depreciation for 2018-19	-	2.26	2.26
Disposals / discard during 2018-19	-	-	-
Balance at 31 March 2019	-	2.26	2.26
Depreciation for 2019-20	-	2.36	2.36
Disposals / discard during 2019-20	-	0.01	0.01
Balance at 31 March 2020	-	4.61	4.61
Carrying amount (net)			
At 1 April 2018	9.89	29.84	39.73
At 31 March 2019	9.89	34.79	44.68
At 31 March 2020	9.89	31.64	41.53

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Freehold Land	530.13	514.69	499.70
Buildings	31.64	34.79	29.84
Total	561.77	549.48	529.54

The amounts recognised in profit or loss for:

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(i) Rental income from investment property	36.57	36.88
(ii) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year; and	1.03	1.37
(iii) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year.	8.21	5.94

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

13. Property, Plant and Equipment

₹ in lakhs

Particulars	Freehold Land	Buildings	Plant and Equipment	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Right-of-use assets [Note 40]	Total
Reconciliation of carrying amount									
Cost or deemed cost									
(gross carrying amount)									
Balance at 1 April 2018	108.30	79.00	68.36	1.97	1.65	10.45	-	-	269.73
Additions during the year	-	-	1.92	2.16	-	-	0.25	-	4.33
Disposals / discard during the year	-	-	-	-	-	-	-	-	-
Balance at 31 March 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
Accumulated depreciation									
Depreciation for 2018-19	-	1.68	10.78	0.62	0.19	1.38	0.05	-	14.70
Disposals / discard during 2018-19	-	-	-	-	-	-	-	-	-
Balance at 31 March 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
Carrying amount (net)									
At 1 April 2018	108.30	79.00	68.36	1.97	1.65	10.45	-	-	269.73
At 31 March 2019	108.30	77.32	59.50	3.51	1.46	9.07	0.20	-	259.36
At 31 March 2020	108.30	75.42	49.43	16.31	2.97	4.20	1.68	28.27	286.58

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

14. Capital Work-in-Progress

₹ in lakhs

Particulars	As at 31 March 2020
Reconciliation of carrying amount	
Balance at 1 April 2018	7.21
Additions during the year	-
Transfer to Investment Property during the year	7.21
Balance at 31 March 2019	-
Additions during the year	-
Transfer to Investment Property during the year	-
Balance at 31 March 2020	-
Carrying amount	
At 1 April 2018	7.21
At 31 March 2019	-
At 31 March 2020	-

15. Other Non-financial Assets

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>(Unsecured, considered good)</i>			
Capital Advances	102.30	-	-
Advances other than Capital Advances			
Advances to suppliers	263.09	131.13	76.03
Other advances			
- Claims and refunds receivable	4.10	4.42	9.61
- Balance with Government Authorities	33.42	29.76	20.77
- Deposits against demand under appeal and / or under dispute	1.50	1.50	1.50
- Prepaid Expenses	0.88	1.17	1.44
	405.29	167.98	109.35

16. Payables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises; and	40.97	11.01	11.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	938.16	512.30	415.39
	979.13	523.31	427.00
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	40.97	11.01	11.61
Interest due on above	-	-	-
Total	40.97	11.01	11.61

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

16. Payables (Contd.)

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(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.	-	-	-

17. Borrowings (Other than Debts Securities)

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Secured			
From a bank (repayable on demand)			
Cash credit	728.45	263.82	104.81
Unsecured (at amortised cost)			
Inter-corporate deposit from a body corporate	-	-	350.00
	728.45	263.82	454.81

- (a) Cash Credit from a bank, carrying interest rate of I-MCLR-6M + spread of 2.10% p.a., is secured by way of hypothecation of the entire assets of Allahabad Canning Limited, wholly owned subsidiary of the Company.
- (b) Inter Corporate deposit, carrying interest rate of 10% p.a., is payable on demand.
- (c) No borrowing has been guaranteed by directors or others.
- (d) There is no period and amount of default in repayment of above borrowings and interest thereon.

18. Deposits

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
<i>At amortised cost</i>			
Security deposits taken against investment property	67.14	70.71	79.23
	67.14	70.71	79.23

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

19. Subordinated Liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 10 each at amortised cost	230.44	216.92	202.92
	230.44	216.92	202.92

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.

20. Other Financial Liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade and other deposits	45.79	46.54	68.63
Lease liabilities	30.27	-	-
Payable to employees	52.42	88.67	70.81
Liabilities for Capital Goods	16.58	16.58	16.58
	145.06	151.79	156.02

21. Provisions

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Provision for employee benefits			
Net defined benefit liability - Gratuity	62.51	54.65	56.17
Liability for compensated absences	38.45	31.93	32.13
	100.96	86.58	88.30
Other Provisions			
For standard assets	15.12	14.32	14.32
For warranties and claims	4.81	4.23	4.61
	19.93	18.55	18.93
	120.89	105.13	107.23

Reconciliation of Other Provisions:

Particulars	Other Provisions for		
	Standard assets	Warranties and claims	Total
Balance at 1 April 2018	14.32	4.61	18.93
Provided during the year	-	5.01	5.01
Utilised / Written back during the year		5.39	5.39
Balance at 31 March 2019	14.32	4.23	18.55
Provided during the year	0.80	4.81	5.61
Utilised / Written back during the year	-	4.23	4.23
Balance at 31 March 2020	15.12	4.81	19.93

(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".

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

21. Provisions (Contd.)

Defined benefits - Gratuity Plan

Allahabad Canning Limited (ACL), wholly owned subsidiary of the Company has a defined benefit gratuity plan. Every employee who has completed continuously at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972.

Net defined benefit liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligations	153.22	133.15
Fair value of plan assets	90.71	78.50
Net defined benefit liabilities	62.51	54.65

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

ACL expects to contribute ₹ 20.32 lakhs to Gratuity Fund in the next year.

Inherent risk

The plan is defined benefit in nature which is sponsored by ACL and hence it underwrites all the risk pertaining to the plan. In particular, this exposes ACL, 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 2020	As at 31 March 2019
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year	133.15	134.52
(b) Service cost	9.72	6.32
(c) Interest cost	9.72	10.22
(d) Benefits paid	(5.10)	(20.44)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	5.70	2.06
- due to experience changes	0.03	0.47
Balance at the end of the year	153.22	133.15
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	78.50	78.35
(b) Actual return on plan assets	6.92	5.59
(c) Contributions by the employer	10.39	15.00
(d) Benefits paid	(5.10)	(20.44)
Balance at the end of the year	90.71	78.50
(iii) Actuarial gain / (loss) on plan assets		
(a) Expected Interest Income	5.73	5.95
(b) Actual return on plan assets	6.92	5.59
Actuarial gain / (loss) on plan assets	1.19	(0.36)

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

21. Provisions (Contd.)

Reconciliation of the net defined benefit liabilities / (assets): (Contd.)

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
(iv) Expense recognised in Employee benefits expenses		
(a) Service cost	9.72	6.32
(b) Interest cost	9.72	10.22
(c) Interest income	(5.73)	(5.95)
Amount charged to Employee benefits expenses	13.71	10.59
(v) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial loss on defined benefit obligations	(5.73)	(2.53)
(b) Actuarial loss on plan assets	1.19	(0.36)
Amount recognised in Other Comprehensive Income	(4.54)	(2.89)
(vi) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(vii) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	6.60%	7.30%
(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 (2006-08).

(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, 2020		As at 31st March, 2019	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	4.36	(4.11)	3.60	(3.40)
(b) Future salary growth (1% movement)	(7.54)	8.37	(6.50)	7.18
(c) Withdrawal assumption (4% movement)	(0.65)	2.49	(0.87)	3.63

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

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

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Within the next 12 months (next annual reporting period)	17.99	20.50
Between 1 and 2 years	1.62	35.97
Between 2 and 3 years	59.32	14.31
Between 3 and 4 years	2.24	5.49
Between 4 and 5 years	3.94	1.93
Beyond 5 years	68.11	54.95
	153.22	133.15

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

22. Other Non-financial Liabilities

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Advance from customers	62.25	26.30	40.63
Statutory dues	30.32	17.21	16.30
Deferred income on security deposits	3.15	9.46	15.77
	95.72	52.97	72.70

23. Share Capital

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Authorised:			
1,35,00,000 equity shares of ₹ 10 each	1,350.00	1,350.00	1,350.00
15,00,000 preference shares of ₹ 10 each	150.00	150.00	150.00
	1,500.00	1,500.00	1,500.00
Issued, subscribed and fully paid-up:			
1,00,03,102 equity shares of ₹ 10 each	1,000.31	1,000.31	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 19]

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity shares				
At the beginning and 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 2020		As at 31 March 2019	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid up held by				
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	6,64,129	6.64	5,59,129	5.59
NCCRPS of ₹ 10 each fully paid up held by				
Sutlej Textiles & Industries Limited	13,00,000	100.00	13,00,000	100.00

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

23. Share Capital (Contd.)

(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 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
<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	-

24. Other Equity

₹ in lakhs

Particulars	As at 1 April 2018	Movement during the year	As at 31 March 2019	Movement during the year	As at 31 March 2020
Capital Reserve	1,645.66	-	1,645.66	-	1,645.66
Capital Redemption Reserve	45.00	-	45.00	-	45.00
Securities Premium	-	-	-	-	-
General Reserve	324.50	-	324.50	-	324.50
Reserve Fund	737.84	107.40	845.24	71.64	916.88
Retained Earnings	1,876.89	452.43	2,329.32	(269.71)	2,059.61
Equity Instruments through OCI	30,861.92	(11,915.67)	18,946.25	(8,734.24)	10,212.01
	35,491.81	(11,355.84)	24,135.97	(8,932.31)	15,203.66

The above-mentioned movements are on account of the following:

Particulars	Reserve Fund		Retained Earnings		Equity Instruments through OCI	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
(i) Profit for the year	-	-	(193.53)	562.72	-	-
(ii) Remeasurement of defined benefit liability / (asset)	-	-	(4.54)	(2.89)	-	-
(iii) Net change in fair value of Equity investments	-	-	-	-	(8,734.24)	(11,915.67)
(iv) Transfer to Reserve Fund from Retained Earnings	71.64	107.40	(71.64)	(107.40)	-	-
	71.64	107.40	(269.71)	452.43	(8,734.24)	(11,915.67)

25. Interest Income

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<i>On financial assets measured at amortised cost</i>		
Interest on inter-corporate deposit	76.71	82.56
Interest on bank deposits	67.02	59.46
Interest on security deposits	6.31	6.31
	150.04	148.33

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

26. Sale of Products

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Finished goods	2,668.68	2,814.21
Stock-in-trade	1,680.35	1,267.62
	4,349.03	4,081.83
Less: Claims, Rebates, etc.	202.97	152.33
	4,146.06	3,929.50
Scrap Sales	12.69	1.84
	4,158.75	3,931.34

27. Other Income

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on refund from income tax department	0.67	1.83
Unspent liabilities, Provision no longer required and Unclaimed balances written back	11.26	24.22
	11.93	26.05

28. Finance Costs

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<i>On financial liabilities measured at amortised cost:</i>		
Interest on Borrowings (other than securities)	47.76	39.85
Interest on Deposits	6.44	6.48
Interest on Subordinated Liabilities	13.52	14.00
Interest on Lease Liabilities	3.13	-
Interest on Income Tax	0.48	-
	71.33	60.33

29. Fees and Commission Expenses

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Listing and Other Regulatory Fees	7.40	8.11
ROC Fees	0.24	0.34
	7.64	8.45

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

30. Cost of Materials Consumed

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventory of materials at the beginning of the year	24.64	46.11
Add: Purchases and procurement expenses	1,128.56	878.70
	1,153.20	924.81
Less: Inventory of materials at the end of the year	87.18	24.64
	1,066.02	900.17

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

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the end of the year		
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
Inventories at the beginning of the year		
Finished goods	778.96	717.46
Work-in-progress	86.76	80.15
Stock-in-trade	283.24	232.07
	1,148.96	1,029.68
	(581.45)	(119.28)

32. Employee Benefits Expenses

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages, bonus etc.	832.35	557.10
Contribution to provident and other funds *	76.36	62.53
Expenses related to post-employment defined benefit plans [Note 21]	13.71	10.59
Staff welfare expenses	22.07	18.89
	944.49	649.11

* are defined contribution plans

33. Depreciation Expenses

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on Investment Property	2.36	2.26
Depreciation on Property, Plant and Equipments	29.19	14.70
	31.55	16.96

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

34. Other Expenses

₹ in lakhs

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
Consumption of Stores and Spares		94.31		70.42
Packing Materials		769.13		770.72
Repairs and Maintenance		27.88		25.45
Rent, Tax and Energy Costs		100.16		113.90
Communication Costs		12.15		9.40
Printing and Stationery		7.75		6.53
Advertisement and Publicity		0.85		0.70
Director's Sitting Fees		1.38		1.53
Auditor's Fee and Expenses				
<i>As Auditors</i>				
- Statutory audit	4.64		4.49	
- Limited review of quarterly results	2.81		0.60	
<i>In other capacity</i>				
- For certificates and other services	1.91		1.17	
<i>Reimbursement of expenses</i>	0.18	9.54	-	6.26
Legal and Professional Charges		50.33		8.11
Service Charges		12.92		7.02
Insurance		11.90		12.30
Freight and Forwarding Charges		325.01		314.08
Loss on Sales / Discard of Fixed Assets (net)		1.96		-
Provision for Standard Assets		0.80		-
Provision for Warranties and Claims		4.81		5.01
Bad debts, irrecoverable claims and advances written off (net)		0.31		-
Miscellaneous Expenses		179.24		111.64
		1,610.43		1,463.07

35. Tax expense

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	39.57	44.65
Provision for tax related to earlier years	0.02	0.79
Provision related to earlier years no longer required written back	(5.52)	-
Deferred tax		
Attributable to origination and reversal of temporary differences	-	-
Total tax expense for the year	34.07	45.44

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

35. Tax expense (Contd.)

Reconciliation of tax expense

₹ in lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	(159.46)	608.16
Tax using the Group's domestic tax applicable rates*	(28.89)	167.23
Tax effect of:		
- Deferred tax expense (net of deferred tax credit) adjusted with deferred tax assets not recognised	31.58	(14.92)
- 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	-
- Time barred carried forward business losses	-	5.73
- Interest expense on Preference shares classified as subordinated liability not deductible for tax purposes	3.09	3.64
- Excess provision for tax made during the year	0.41	2.16
- Provision for tax related to earlier years	0.02	0.79
- Provision related to earlier years no longer required written back	(5.52)	-
- Other permanent differences	(53.74)	(119.19)
Total tax expense	34.07	45.44

* for year ended on 31 March 2019, applicable tax rate for normal tax was 25% plus applicable surcharge and cess.

The Group has, so far, exercised the option for payment of income tax at reduced rate as per the provisions of Section 115 BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 with effect from financial year commencing 1 April 2019.

36. 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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(i) Profit attributable to equity shareholders (₹ in lakhs)	(193.53)	562.72
(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 (₹)	(1.93)	5.63

There is no dilutive potential equity share.

37. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 125.00 lakhs (31 March 2019: ₹ Nil; 1 April 2018: ₹ Nil).

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

38. Contingent Liabilities (to the extent not provided for)

₹ in lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(a) Demands / claim by various Government authorities and others not acknowledged as debts and contested by a subsidiary of the Company:			
(i) Sales tax	1.65	1.65	1.65
(ii) Others	8.25	8.25	8.25
	9.90	9.90	9.90
(b) Bank Guarantees outstanding	236.34	142.27	75.61
(c) Uncalled Capital on partly paid shares held as investment	123.60	123.60	123.60

39. The COVID-19 outbreak and resulted national lockdown imposed by the Government of India has caused Pan-India disruption of business. There is no effect on operations of the Company and its subsidiaries, involved in investing business. However, the operations of a subsidiary, involved in food processing business, was disrupted due to mandatory lockdown and restriction in activities. Consequently the food processing manufacturing plant at Barmauli, Allahabad in the state of Uttar Pradesh had to be closed down for a considerable period of time, including after the current year end. The manufacturing operations at this plant has been resumed from third week of April 2020 onwards with partial capacity, which is being ramped up gradually and is presently working at around 50% capacity. The food processing business is closely monitoring any material changes in future economic conditions vis-a-vis its business operations.

The businesses has made assessment of possible effect that may result from pandemic basis internal and external information available upto the date of these consolidated financial results on the carrying amount of inventories, receivables, investments, other financial assets and other non financial assets. The Company and its subsidiaries does not anticipate any challenge in its ability to continue as a going concern or meeting its financial obligations.

40. Lease

The Group has adopted Ind AS 116 "Leases" with the date of initial application being 1 April 2019, using the modified retrospective method. As on transition date of Ind AS 116, no lease is other than short-term and low-value leases with the Group as lessee. Accordingly, previous period information has not been reinstated.

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

As Lessee

(i) Carrying value of Right-of-use assets by class:

₹ in lakhs

Particulars	Building
Balance as at 1 April 2019	-
Recognised on account of adoption of Ind AS 116 as at 1 April 2019	-
Additions during the year	39.14
Depreciation for the year	10.87
Balance as at 31 March 2020	28.27

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

40. Lease (Contd.)

As Lessee (Contd.)

(ii) Movement in lease liabilities:

₹ in lakhs

Particulars	As at 31st March, 2020
Balance as at 1 April 2019	-
Recognised on account of adoption of Ind AS 116 as at 1 April 2019	-
Additions during the year	39.14
Finance cost accrued during the year	3.13
Payment of lease liabilities for the year	(12.00)
Balance as at 31 March 2020	30.27

(iii) Contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31st March, 2020
Less than one year	15.24
More than one year	19.05
Total	34.29

(iv) Amounts recognised in profit or loss:

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on lease liabilities	3.13	-
Expenses relating to short-term and low-value leases	2.35	1.15
Total	5.48	1.15

(v) Amounts recognised in the statement of cash flows

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Total cash outflow of leases including cash outflow for short term leases and leases of low value	14.35	1.15

There is no significant 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.

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

41. Segment information (Contd.)

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 2020	Year ended 31 March 2019
Revenue from operations		
Investing Business	407.70	600.71
Food Processing Business	4,159.78	3,933.73
	4,567.48	4,534.44
Segment results		
Investing Business	395.78	602.02
Food Processing Business	(473.66)	72.42
	(77.88)	674.44
Less: Finance costs	71.33	60.33
Less: Other unallocable expenditure (net of unallocable income)	10.25	5.95
Profit / (Loss) before tax	(159.46)	608.16
Other segment information		
Capital expenditure - Property, Plant and Equipment		
Investing Business	-	-
Food Processing Business	60.08	4.33
	60.08	4.33
Depreciation		
Investing Business	2.37	2.27
Food Processing Business	29.18	14.69
	31.55	16.96

₹ in lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Segment assets			
Investing Business	14,439.76	22,952.10	35,545.25
Food Processing Business	3,405.43	2,255.51	1,987.43
Unallocable Assets	725.61	1,313.32	459.35
Total assets	18,570.80	26,520.93	37,992.03
Segment liabilities			
Investing Business	116.74	117.54	132.78
Food Processing Business	1,291.20	786.37	709.40
Unallocable Liabilities	958.89	480.74	657.73
Total liabilities	2,366.83	1,384.65	1,499.91

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

42. Maturity analysis of assets and liabilities (Contd.)

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 2020		
	Within twelve months	After twelve months	Total
Financial Assets:			
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
Non-financial Assets:			
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
Financial Liabilities:			
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
Non-financial Liabilities:			
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
Net Assets [Total Assets - Total Liabilities]	2,644.22	13,559.75	16,203.97

₹ in lakhs

Particulars	As at 31 March 2019		
	Within twelve months	After twelve months	Total
Financial Assets:			
Cash and Cash Equivalents	1,298.22	-	1,298.22
Bank Balances other than Cash and Cash Equivalents	29.95	-	29.95
Receivables	556.31	-	556.31
Loans	900.00	-	900.00
Investments	-	21,876.39	21,876.39
Other Financial Assets	24.24	10.87	35.11
Non-financial Assets:			
Inventories	1,337.82	-	1,337.82
Current Tax Assets (net)	15.11	-	15.11
Investment Property	-	44.68	44.68
Property, Plant and Equipment	-	259.36	259.36
Other Non-financial Assets	132.30	35.68	167.98
Total Assets	4,293.95	22,226.98	26,520.93
Financial Liabilities:			
Payables	523.31	-	523.31
Borrowings (Other than Debt Securities)	263.82	-	263.82
Deposits	10.00	60.71	70.71
Subordinated Liabilities	-	216.92	216.92
Other Financial Liabilities	151.79	-	151.79
Non-financial Liabilities:			
Provisions	70.98	34.15	105.13
Other Non-financial Liabilities	49.81	3.16	52.97
Total Liabilities	1,069.71	314.94	1,384.65
Net Assets [Total Assets - Total Liabilities]	3,224.24	21,912.04	25,136.28

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

42. Maturity analysis of assets and liabilities (Contd.)

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 1st April, 2018		
	Within twelve months	After twelve months	Total
Financial Assets:			
Cash and Cash Equivalents	427.19	-	427.19
Bank Balances other than Cash and Cash Equivalents	61.01	-	61.01
Receivables	435.50	-	435.50
Loans	1,050.00	-	1,050.00
Investments	-	34,292.06	34,292.06
Other Financial Assets	23.08	13.12	36.20
Non-financial Assets:			
Inventories	1,231.89	-	1,231.89
Current Tax Assets (net)	32.16	-	32.16
Investment Property	-	39.73	39.73
Property, Plant and Equipment	-	269.73	269.73
Capital Work-in-Progress	-	7.21	7.21
Other Non-financial Assets	77.82	31.53	109.35
Total Assets	3,338.65	34,653.38	37,992.03
Financial Liabilities:			
Payables	427.00	-	427.00
Borrowings (Other than Debt Securities)	454.81	-	454.81
Deposits	15.00	64.23	79.23
Subordinated Liabilities	-	202.92	202.92
Other Financial Liabilities	156.02	-	156.02
Non-financial Liabilities:			
Provisions	69.73	37.50	107.23
Other Non-financial Liabilities	63.24	9.46	72.70
Total Liabilities	1,185.80	314.11	1,499.91
Net Assets [Total Assets - Total Liabilities]	2,152.85	34,339.27	36,492.12

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 with whom transactions have taken place during the year

Key management personnel	Mrs. Shalini Nopany	- Chairperson / Non-Executive Director
	Mr. Chandra Shekhar Nopany	- Chairperson / Non-Executive Director (upto 8 November 2018)
	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	- Additional Director (w.e.f. 7 February 2020)
	Mr. Bal Kishore Malpani	- Independent / 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. Santosh Srivastava	- Chief Financial Officer of a subsidiary of the Company

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

43. Related Party Disclosures (Contd.)

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

a. Director's sitting fees

₹ in lakhs

Particulars	Year ended	Director's sitting fees	Amount owed to related parties
Mrs. Shalini Nopany	31 March 2020	0.15	-
	31 March 2019	0.20	-
Mr. Chandra Shekhar Nopany	31 March 2020	-	-
	31 March 2019	0.15	-
Mr. Arun Kumar Newar	31 March 2020	0.45	-
	31 March 2019	0.45	-
Mr. Chhedi Lal Agarwal	31 March 2020	0.45	-
	31 March 2019	0.45	-
Mr. Dinesh Kacholia	31 March 2020	0.23	-
	31 March 2019	0.23	-
Mr. Bal Kishore Malpani	31 March 2020	0.10	-
	31 March 2019	0.05	-

b. Remuneration to key managerial personnel

(i) Short term employee benefits

₹ in lakhs

Particulars	Year ended	Transaction during the year	Amount owed to related parties
Mr. Santosh Srivastava	31 March 2020	20.24	-
	31 March 2019	19.26	-

(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 ACL as a whole.

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 2020 or year ended 31 March 2019.
- (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) The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.
- (iii) For the year ended 31 March 2020, 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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

- 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).

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

₹ in lakhs

Particulars	As at 31 March 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets				
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
Deferred tax liabilities				
Investments - Unquoted	371.75	-	(7.33)	364.42
Investment Property	9.05	(1.81)	-	7.24
Property, plant and equipments (including Right of use - Assets and Lease Liabilities)	7.33	(1.16)	-	6.17
	388.13	(2.97)	(7.33)	377.83
Net deferred tax assets	-	-	-	-

₹ in lakhs

Particulars	As at 31 March 2018	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	398.97	(12.32)	-	386.65
MAT credit entitlement	-	1.63	-	1.63
Investments - Quoted	1,382.85	-	1,319.20	2,702.05
Provision for employee's benefits	24.19	(2.06)	0.75	22.88
Other provisions	6.24	(0.10)	-	6.14
Deduction of disallowances allowed on payment basis	1.83	0.30	-	2.13
	1,814.08	(12.55)	1,319.95	3,121.48
Less : Deferred tax assets not recognised	1,399.12	(14.92)	1,349.15	2,733.35
	414.96	2.37	(29.20)	388.13
Deferred tax liabilities				
Investments - Unquoted	400.95	-	(29.20)	371.75
Investment Property	7.76	1.29	-	9.05
Property, plant and equipments	6.25	1.08	-	7.33
	414.96	2.37	(29.20)	388.13
Net deferred tax assets	-	-	-	-

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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	
As at 31 March 2020					
Financial assets					
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
Financial liabilities					
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
As at 31 March 2019					
Financial assets					
Investments - Quoted	-	17,767.73	-	17,767.73	17,767.73
Investments - Unquoted	-	4,108.65	-	4,108.65	4,108.65
Cash and cash equivalents	-	-	1,298.22	1,298.22	1,298.22
Bank Balances other than Cash and cash equivalents	-	-	29.95	29.95	29.95
Receivables	-	-	556.31	556.31	556.31
Loans	-	-	900.00	900.00	900.00
Investment in Government Securities	-	-	0.01	0.01	0.01
Other financial assets	-	-	35.11	35.11	35.11
	-	21,876.38	2,819.60	24,695.98	24,695.98
Financial liabilities					
Payables	-	-	523.31	523.31	523.31
Borrowings (Other than Debts Securities)	-	-	263.82	263.82	263.82
Deposits	-	-	70.71	70.71	70.71
Subordinated liabilities	-	-	216.92	216.92	216.92
Other financial liabilities	-	-	151.79	151.79	151.79
	-	-	1,226.55	1,226.55	1,226.55
As at 1 April 2018					
Financial assets					
Investments - Quoted	-	29,622.66	-	29,622.66	29,622.66
Investments - Unquoted	-	4,669.39	-	4,669.39	4,669.39
Cash and cash equivalents	-	-	427.19	427.19	427.19
Bank Balances other than Cash and cash equivalents	-	-	61.01	61.01	61.01
Receivables	-	-	435.50	435.50	435.50
Loans	-	-	1,050.00	1,050.00	1,050.00
Investment in Government Securities	-	-	0.01	0.01	0.01
Other financial assets	-	-	36.20	36.20	36.20
	-	34,292.05	2,009.91	36,301.96	36,301.96
Financial liabilities					
Payables	-	-	427.00	427.00	427.00
Borrowings (Other than Debts Securities)	-	-	454.81	454.81	454.81
Deposits	-	-	79.23	79.23	79.23
Subordinated liabilities	-	-	202.92	202.92	202.92
Other financial liabilities	-	-	156.02	156.02	156.02
	-	-	1,319.98	1,319.98	1,319.98

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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

A. Accounting classification and fair values (Contd.)

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 determined using combination of different methodologies i.e. discounted cash flow method, comparable Companies method and net assets method with different weightage. The discount rate used is based on management estimates.

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
As at 31 March 2020					
Investment - Quoted	8	9,247.22	-	-	9,247.22
Investment - Unquoted	8	-	-	4,110.25	4,110.25
As at 31 March 2019					
Investment - Quoted	8	17,767.73	-	-	17,767.73
Investment - Unquoted	8	-	-	4,108.65	4,108.65
As at 1 April 2018					
Investment - Quoted	8	29,622.66	-	-	29,622.66
Investment - Unquoted	8	-	-	4,669.39	4,669.39

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 trade payable, borrowings (other than debt securities), deposits, subordinated liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include cash and cash equivalents, bank balances other than cash and cash equivalents, receivables, loans, investments and other financial assets that derive directly from its operations.

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

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

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

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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

C. Financial risk management (Contd.)

(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 2020	As at 31 March 2019	As at 1 April 2018
Government entities	360.03	353.70	184.26
Others	389.25	202.61	251.24

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	81-365 days	More than 1 year	Total
As at 31 March 2020	8.45	677.02	14.72	9.10	39.99	749.28
As at 31 March 2019	-	382.17	145.50	8.26	20.38	556.31
As at 1 April 2018	-	358.64	59.77	1.11	15.98	435.50

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

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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

C. Financial risk management (Contd.)

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
As at 31 March 2020						
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	145.06	145.06	-	-	-
	2,150.22	2,185.30	1,922.64	-	262.66	-
As at 31 March 2019						
Payables	523.31	523.31	523.31	-	-	-
Borrowings (Other than Debts Securities)	263.82	263.82	263.82	-	-	-
Deposits	70.71	80.00	10.00	70.00	-	-
Subordinated Liabilities*	216.92	262.66	-	-	-	262.66
Other financial liabilities	151.79	151.79	151.79	-	-	-
	1,226.55	1,281.58	948.92	70.00	-	262.66
As at 1 April 2018						
Payables	427.00	427.00	427.00	-	-	-
Borrowings (Other than Debts Securities)	454.81	454.81	454.81	-	-	-
Deposits	79.23	95.00	15.00	10.00	70.00	-
Subordinated Liabilities*	202.92	262.66	-	-	-	262.66
Other financial liabilities	156.02	156.02	156.02	-	-	-
	1,319.98	1,395.49	1,052.83	10.00	70.00	262.66

* including estimated dividend as finance cost.

(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 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.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

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

C. Financial risk management (Contd.)

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 2020	As at 31 March 2019	As at 1 April 2018
Fixed rate instruments			
Financial assets	909.60	930.75	1,111.81
Financial liabilities	297.58	287.63	632.15
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities	728.45	263.82	104.81

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 had increased / decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

(₹ in lakhs)

Particulars	Profit or loss		Equity, net of tax	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
BSE - increase by 10%	924.72	1,776.77	713.14	1,314.81
BSE - decrease by 10%	(924.72)	(1,776.77)	(713.14)	(1,314.81)

Regulatory risk

The Group's operations is significantly regulated by neither by Central Government nor by State Government. Hence, Regulatory risk to the Group is very low.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

46. Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

47. Explanation of transition to Ind AS

As stated in Note 2.1, the Group has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March 2020, the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014 read with the Companies (Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2020 including the comparative information for the year ended 31 March 2019 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2018.

In preparing its Ind AS balance sheet as at 1 April 2018 and in presenting the comparative information for the year ended 31 March 2019, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

(a) Investment Property

As per Ind AS 101 an entity may elect to:

- (i) measure an item of investment property at the date of transition at its fair value and use that fair value as its deemed cost at that date;
- (ii) use carrying values of investment property as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of investment property. There is no decommissioning liabilities to be incurred by the Group relating to investment property.

(b) Property, plant and equipment

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:
 - fair value;
 - or cost or depreciated cost under Ind AS adjusted to reflect.
- (iii) use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

47. Explanation of transition to Ind AS (Contd.)

A. Optional exemptions availed (Contd.)

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. There is no decommissioning liabilities to be incurred by the Group relating to property, plant and equipment.

(c) Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Group has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition i.e. 1 April 2018 on the basis of facts and circumstances existed at the date of transition to Ind AS.

(d) Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable.

B. Mandatory exceptions

(a) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement.

(b) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

(c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

47. Explanation of transition to Ind AS (Contd.)

C. Reconciliation of equity

₹ in lakhs

Particulars	Notes	As at 31 March 2019		
		Reclassified Previous GAAP	Effect of transition to Ind-ASs	Ind-ASs
ASSETS				
1 Financial Assets				
(a) Cash and Cash Equivalents		1,298.22	-	1,298.22
(b) Bank Balances other than Cash and Cash Equivalents		29.95	-	29.95
(c) Receivables		556.31	-	556.31
(d) Loans		900.00	-	900.00
(e) Investments	(a)	2,930.14	18,946.25	21,876.39
(f) Other Financial Assets		35.11	-	35.11
Total Financial Assets		5,749.73	18,946.25	24,695.98
2 Non-financial Assets				
(a) Inventories		1,337.82	-	1,337.82
(b) Current Tax Assets (net)		15.11	-	15.11
(c) Investment Property		44.68	-	44.68
(d) Property, Plant and Equipment		259.36	-	259.36
(e) Other Non-financial Assets		167.98	-	167.98
Total Non-financial Assets		1,824.95	-	1,824.95
TOTAL ASSETS		7,574.68	18,946.25	26,520.93
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(a) Trade Payables		523.31	-	523.31
(b) Borrowings (Other than Debts Securities)		263.82	-	263.82
(c) Deposits	(b)	80.00	(9.29)	70.71
(d) Subordinated Liabilities	(b)	130.00	86.92	216.92
(e) Other Financial Liabilities		151.79	-	151.79
Total Financial Liabilities		1,148.92	77.63	1,226.55
2 Non-financial Liabilities				
(a) Provisions	(c)	109.21	(4.08)	105.13
(b) Other Non-financial Liabilities	(b)	43.51	9.46	52.97
Total Non-financial Liabilities		152.72	5.38	158.10
TOTAL LIABILITIES		1,301.64	83.01	1,384.65
EQUITY				
(a) Equity Share Capital		1,000.31	-	1,000.31
(b) Other Equity	(d)	5,272.73	18,863.24	24,135.97
TOTAL EQUITY		6,273.04	18,863.24	25,136.28
TOTAL EQUITY AND LIABILITIES		7,574.68	18,946.25	26,520.93

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

47. Explanation of transition to Ind AS (Contd.)

C. Reconciliation of equity

₹ in lakhs

Particulars	Notes	As at 1st April 2018		
		Reclassified Previous GAAP	Effect of transition to Ind-ASs	Ind-ASs
ASSETS				
1 Financial Assets				
(a) Cash and Cash Equivalents		427.19	-	427.19
(b) Bank Balances other than Cash and Cash Equivalents		61.01	-	61.01
(c) Receivables		435.50	-	435.50
(d) Loans		1,050.00	-	1,050.00
(e) Investments	(a)	3,430.14	30,861.92	34,292.06
(f) Other Financial Assets		36.20	-	36.20
Total Financial Assets		5,440.04	30,861.92	36,301.96
2 Non-financial Assets				
(a) Inventories		1,231.89	-	1,231.89
(b) Current Tax Assets (net)		32.16	-	32.16
(c) Investment Property		39.73	-	39.73
(d) Property, Plant and Equipment		269.73	-	269.73
(e) Capital Work-in-Progress		7.21	-	7.21
(f) Other Non-financial Assets		109.35	-	109.35
Total Non-financial Assets		1,690.07	-	1,690.07
TOTAL ASSETS		7,130.11	30,861.92	37,992.03
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(a) Trade Payables		427.00	-	427.00
(b) Borrowings (Other than Debts Securities)		454.81	-	454.81
(c) Deposits	(b)	95.00	(15.77)	79.23
(d) Subordinated Liabilities	(b)	130.00	72.92	202.92
(e) Other Financial Liabilities		156.02	-	156.02
Total Financial Liabilities		1,262.83	57.15	1,319.98
2 Non-financial Liabilities				
(a) Provisions	(c)	111.39	(4.16)	107.23
(b) Other Non-financial Liabilities	(b)	56.93	15.77	72.70
Total Non-financial Liabilities		168.32	11.61	179.93
TOTAL LIABILITIES		1,431.15	68.76	1,499.91
EQUITY				
(a) Equity Share Capital		1,000.31	-	1,000.31
(b) Other Equity	(d)	4,698.65	30,793.16	35,491.81
TOTAL EQUITY		5,698.96	30,793.16	36,492.12
TOTAL EQUITY AND LIABILITIES		7,130.11	30,861.92	37,992.03

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

47. Explanation of transition to Ind AS (Contd.)

D Reconciliation of total comprehensive income

₹ in lakhs

Particulars	Notes	Year ended 31 March 2019		
		Reclassified Previous GAAP	Effect of transition to Ind-ASs	Ind-ASs
I. Revenue from Operations				
(i) Interest Income	(b)	142.02	6.31	148.33
(ii) Dividend Income		454.77	-	454.77
(iii) Sale of Products		3,931.34	-	3,931.34
Total Revenue from Operations		4,528.13	6.31	4,534.44
II. Other Income				
(i) Rental Income		36.88	-	36.88
(ii) Other Income		26.05	-	26.05
Total Other Income		62.93	-	62.93
III. Total Income (I + II)		4,591.06	6.31	4,597.37
IV. Expenses				
(i) Finance Costs	(b)	39.85	20.48	60.33
(ii) Fees and Commission Expenses		8.45	-	8.45
(iii) Cost of Materials Consumed		900.17	-	900.17
(iv) Purchases of Stock-in-trade		1,010.40	-	1,010.40
(v) Changes in Inventories of finished goods, stock-in-trade and work-in-progress		(119.28)	-	(119.28)
(vi) Employee Benefits Expenses	(c)	651.92	(2.81)	649.11
(vii) Depreciation Expense		16.96	-	16.96
(viii) Other Expenses		1,463.07	-	1,463.07
Total Expenses		3,971.54	17.67	3,989.21
V. Profits before tax (III - IV)		619.52	(11.36)	608.16
VI. Tax expense				
Current tax		44.65	-	44.65
Provision for tax related to earlier years		0.79	-	0.79
Deferred tax		-	-	-
Total Tax expenses		45.44	-	45.44
VII. Profit for the year (V - VI)		574.08	(11.36)	562.72
VIII. Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
(a) Remeasurement of defined benefit liability / (asset)	(c)	-	(2.89)	(2.89)
(b) Equity investments through other comprehensive income - net change in fair value	(a)	-	(11,915.67)	(11,915.67)
(c) Income Tax relating to items that will not be reclassi- fied to profit or loss		-	-	-
Other comprehensive income for the year, net of income tax		-	(11,918.56)	(11,918.56)
IX. Total comprehensive income for the year (VIII + IX)	(d)	574.08	(11,929.92)	(11,355.84)

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

47. Explanation of transition to Ind AS (Contd.)

- E. There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.
- F. **Notes to the reconciliations of equity as at 1 April 2018 and 31 March 2019 and total comprehensive income for the year ended 31 March 2019:**

(a) **Investments:**

In accordance with Ind AS, financial assets representing investment in equity shares of entities have been fair valued. The Group has designated equity investments as at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in these investments being carried at cost.

The impact arising from the change is summarised as follows:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 1 April 2018
Balance sheet		
Increase in Investments - Equity shares at FVOCI	18,946.25	30,861.92
Adjustment to other comprehensive income	18,946.25	30,861.92

₹ in lakhs)

Particulars	Year ended 31 March 2019
Other comprehensive income	
Equity instruments through other comprehensive income - net change in fair value	(11,915.67)
Adjustment to other comprehensive income	(11,915.67)

(b) **Deposits and Subordinated Liabilities:**

Based on Ind AS 109, financial liabilities in the form of deposits and subordinated liabilities have been accounted at amortised cost using the effective interest rate method.

The impact arising from the change is summarised as follows:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 1 April 2018
Balance sheet		
Decrease in Deposits at amortised cost	9.29	15.77
Increase in Subordinated Liabilities	(86.92)	(72.92)
Increase in Other Non-financial Liabilities - Deferred Income on Security Deposits	(9.46)	(15.77)
Adjustment to retained earnings	(87.09)	(72.92)

(₹ in lakhs)

Particulars	Year ended 31 March 2019
Statement of Profit and Loss	
Interest Income on Security Deposits	6.31
Less: Finance costs	
- Interest on deposits	6.48
- Dividends on preference shares classified as subordinated liabilities measured at amortised cost	14.00
Adjustment to profit before tax	(14.17)

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

47. Explanation of transition to Ind AS (Contd.)

(c) Actuarial gain or loss

Under Ind AS, actuarial gains and losses on transition date are adjusted with retained earnings and respective liabilities and all other actuarial gain and losses are recognised in other comprehensive income. Under previous GAAP actuarial gains and losses were recognised in profit or loss.

The impact arising from the change is summarised as follows:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 1 April 2018
Balance sheet		
Decrease in Provisions	4.08	4.16
Adjustment to retained earnings	4.08	4.16

(₹ in lakhs)

Particulars	Year ended 31 March 2019
Statement of Profit and Loss	
Decrease in Employee Benefits Expenses	2.81
Other comprehensive income	
Remeasurement of defined benefit liability / (asset)	(2.89)
Adjustment to retained earnings	(0.08)

(d) Other / Total Equity

Reconciliation of other / total equity from previous GAAP to Ind AS is as follows:

(₹ in lakhs)

Particulars	Note	Other Equity		Total Equity	
		As at 31 March 2019	As at 1 April 2018	As at 31 March 2019	As at 1 April 2018
As per previous GAAP		5,272.73	4,698.65	6,273.04	5,698.96
Increase in Investments - Equity shares at FVOCI	(a)	18,946.25	30,861.92	18,946.25	30,861.92
Decrease in Deposits at amortised cost	(b)	9.29	15.77	9.29	15.77
Increase in Subordinated Liabilities	(b)	(86.92)	(72.92)	(86.92)	(72.92)
Increase in Other Non-financial Liabilities - Deferred Income on Security Deposits	(b)	(9.46)	(15.77)	(9.46)	(15.77)
Decrease in Provisions	(c)	4.08	4.16	4.08	4.16
As per Ind AS		24,135.97	35,491.81	25,136.28	36,492.12

(e) Total Comprehensive Income

Reconciliation of Profit after tax and Other Comprehensive Income from previous GAAP to Ind AS is as follows:

(₹ in lakhs)

Particulars	Note	Year ended 31 March 2019		
		Profit / (Loss) after tax	Other Comprehensive Income	Total Comprehensive Income
As per previous GAAP		574.08	-	574.08
Equity instruments through other comprehensive income - net change in fair value	(a)	-	(11,915.67)	(11,915.67)
Interest Income on Security Deposits	(b)	6.31	-	6.31
Finance costs - Interest on deposits	(b)	(6.48)	-	(6.48)
Finance costs - Dividends on preference shares classified as subordinated liabilities at amortised cost	(b)	(14.00)	-	(14.00)
Employee Benefits Expenses	(c)	2.81	-	2.81
Remeasurement of defined benefit liability / (asset)	(c)	-	(2.89)	(2.89)
As per Ind AS		562.72	(11,918.56)	(11,355.84)

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

48. Statutory Group Information

₹ in lakhs

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)
Parent:								
Palash Securities Limited								
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)
As at / for the year ended 31 March 2019	-0.73%	(182.96)	-1.24%	(7.00)	0.01%	(0.80)	0.07%	(7.80)
As at 1 April 2018	-0.49%	(175.16)						
Subsidiaries (Indian):								
Allahabad Canning Limited								
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)
As at / for the year ended 31 March 2019	4.96%	1,245.58	6.19%	34.85	0.02%	(2.89)	-0.28%	31.96
As at 1 April 2018	3.33%	1,213.61						
Champan Marketing Company Limited								
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)
As at / for the year ended 31 March 2019	15.85%	3,983.77	11.23%	63.20	11.52%	(1,373.36)	11.54%	(1,310.16)
As at 1 April 2018	14.42%	5,262.93						
Hargaon Investment & Trading Company Limited								
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)
As at / for the year ended 31 March 2019	53.86%	13,537.40	61.23%	344.56	64.43%	(7,679.22)	64.59%	(7,334.66)
As at 1 April 2018	57.20%	20,872.06						
OSM Investment & Trading Company Limited								
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)
As at / for the year ended 31 March 2019	25.87%	6,503.85	22.72%	127.83	24.02%	(2,862.29)	24.08%	(2,734.46)
As at 1 April 2018	25.40%	9,269.32						
Hargaon Properties Limited								
As at / for the year ended 31 March 2020	0.29%	47.79	0.44%	(0.85)	0.00%	-	0.01%	(0.85)
As at / for the year ended 31 March 2019	0.19%	48.64	-0.13%	(0.72)	0.00%	-	0.01%	(0.72)
As at 1 April 2018	0.14%	49.36						
Total								
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)
As at / for the year ended 31 March 2019	100.00%	25,136.28	100.00%	562.72	100.00%	(11,918.56)	100.00%	(11,355.84)
As at 1 April 2018	100.00%	36,492.12						

Notes to Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

- 49.** The previous year's including figures as at the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary on transition to Ind AS. Amounts and other disclosures for the preceding years including figures as at the date of transition are included as an integral part of the current year consolidated financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Prosanta Mukherjee

Partner

Membership No.: 053651

Place: Kolkata

Date: 25 June 2020

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

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Birla Building 5th Floor 9/1 R.N. Mukherjee Road Kolkata 700 001
Telephone: +91 33 2243 0497/8 Fax: +91 33 2248 6369
Email : birlasugar@birla-sugar.com | Website : www.birla-sugar.com