

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

27th June, 2022

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

Symbol : PALASHSECU

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

Dear Sir,

Sub: Submission of Annual Report for the F.Y. 2021-22

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Annual Report of the Company for the F.Y. 2021-22 alongwith the Notice convening the 8th Annual General Meeting scheduled to be held on Tuesday, July 19, 2022 at 11:00 a.m (IST) through Video Conferencing ('VC') facility/Other Audio Visual Means ('OAVM').

The Annual Report containing the Notice of Annual General Meeting is also being uploaded on the Company's website at www.birla-sugar.com

You are requested to take the above information on record.

Thanking you,
Yours faithfully,

For Palash Securities Limited

Deepak Sharma

Deepak Kumar Sharma
Chief Financial Officer
Tel. No. : (033) 2243 0497
Email – dsharmal@birla-sugar.com



Encl: As Above

PALASH SECURITIES LIMITED

CIN : L74120UP2015PLC069675

Registered Office: P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121 Email: palashsecurities@birlasugar.org

Website: www.birla-sugar.com Phone (05862) 256220 Fax (05862) 256225

NOTICE

Notice is hereby given that the 8th Annual General Meeting (AGM) of the members of **PALASH SECURITIES LIMITED** will be held on Tuesday, 19th July, 2022 at 11.00 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, 2022 and the Reports of the Directors and Auditors thereon.
 - b) the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2022 and the Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Chand Bihari Patodia (DIN: 01389238) who retires by rotation and, being eligible, seeks re-appointment.

Place: Kolkata
Dated : 12th May, 2022

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

Mayuri Raja
Company Secretary
ACS 26022

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020 and May 05, 2022, (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("the Meeting") through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), MCA Circulars, the AGM of the Company is being held through VC / OAVM on Tuesday, 19th July, 2022 at 11.00 a.m. (IST). The deemed venue for the AGM shall be the Registered Office of the Company.
2. In terms of the MCA Circular No. 14/2020 dated April 08, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the requirement of sending Proxy Forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of the SEBI Listing Regulations, has been dispensed with. Therefore, the facility to appoint Proxy by the members will not be available and consequently, the Proxy Form and Attendance Slip are not annexed to this notice convening the 8th AGM of the Company (the "notice"). However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

NOTICE

3. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
4. 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
5. 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.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The Share Transfer Books and Register of Members of the Company will remain closed from Wednesday, 13th July, 2022 to Tuesday, 19th July, 2022 (both days inclusive) for the purpose of the AGM.
8. In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India ("SEBI") circular dated May 12, 2020 and May 13, 2022 ("SEBI Circulars"), Notice of the Meeting along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.birla-sugar.com/ www.palashsec.com, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL <https://www.evoting.nsdl.com>
9. 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.
10. 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.
11. SEBI has mandated furnishing of Permanent Account Number (PAN), KYC details (i.e. Postal Address with pin code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from January 01, 2022, any service requests or complaints received from the Member will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after April 01, 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, to their DP in case the shares are held by them in dematerialized form and to Link Intime India Private Limited (RTA) in case the shares are held by them in physical form.
13. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13, to the RTA of the Company. Further, Members desirous of cancelling/varying nomination are requested to send their requests in Form ISR-3 or Form No. SH-14 as the case may be, to the RTA of the Company.
14. 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.
15. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

16. 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 12th July, 2022 through email on palashsecurities@birlasugar.org. The same will be replied by the Company suitably.
17. 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

18. Instructions for e-voting and joining the AGM are as follows:

- I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:
- II. The remote e-voting period commences on Friday, 15th July, 2022 (9:00 a.m. IST) and ends on Monday, 18th July, 2022 (5:00 p.m. IST).

During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, 12th July, 2022 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, CP No. 2551), 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.

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

The remote e-voting period begins on Friday, 15th July, 2022 at 9:00 A.M. and ends on Monday, 18th July, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 12th July, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 12th July, 2022.

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

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



Step 1: Access to NSDL e-Voting system

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

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

NOTICE

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

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.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. Password details for shareholders other than Individual shareholders 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN - 120154" of Palash Securities Limited to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Tuesday, 12th July, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990** and **1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, 12th July, 2022 may follow steps mentioned in the Notice of the AGM under Step 1 : "Access to NSDL e-Voting system" (Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

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

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at palashsecurities@birlasugar.org latest by 5 p.m. (IST) on Tuesday, 12th July, 2022.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at palashsecurities@birlasugar.org latest by 5 p.m. (IST) on Tuesday, 12th July, 2022. 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 this. Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 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 of India Ltd where the shares of the Company are listed.

NOTICE

Particulars of Director(s) seeking appointment/re-appointment at the 8th Annual General Meeting

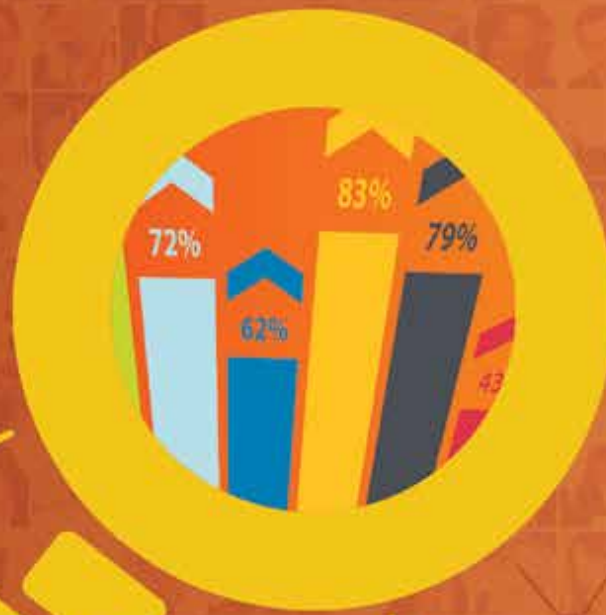
Name	Mr. Chand Bihari Patodia
DIN	01389238
Date of Birth	23.04.1948
Nationality	Indian
Brief Profile covering experience	Mr. Chand Bihari Patodia, possesses rich experience of over 41 years in various capacities especially involving planning, institutional strengthening including restructuring of organization, 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
Detail of Remuneration sought to be paid	Nil
Last drawn Remuneration	Nil
No of board meeting attended during the F.Y. 2021-22.	4
Directorship in other Companies*	Morton Foods Limited (Formerly known as Allahabad Canning Ltd.)
Chairmanship/Memberships of the Board of other Companies*	Nil

*Directorship includes only of Public Companies and Committee Membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies.

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

Mayuri Raja
Company Secretary
ACS 26022

Place: Kolkata
Dated : 12th May, 2022



Annual Report

2021-22

Corporate Information

Board of Directors

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

Committees of Directors

Audit Committee

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

Stakeholders' Relationship Committee

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

Nomination and Remuneration Committee

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

Key Managerial Personnel

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

Auditors

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

Registrar and Share Transfer Agent

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

Registered Office

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

Corporate & Head Office

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

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Directors' Report

Dear Members,

Your Directors present herewith the 8th Annual Report on the business & operations of the Company alongwith the Audited Statement of Accounts for the financial year ended 31st March, 2022.

1. Financial Results

A summary of standalone and consolidated Financial Performance of the Company for the financial year ended on 31st March 2022, are summarized below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
Total Revenue from Operations	82.21	297.83	5398.78	5855.95
Profit before Finance Costs, Tax, Depreciation and Amortization	199.57	302.49	(983.85)	(1069.61)
Less: Depreciation & Amortization Expenses	2.15	2.13	76.96	35.27
Less: Finance Cost	10.85	12.66	234.92	143.40
Profit/(Loss) Before Tax	186.57	287.70	(1295.73)	(1248.28)
Profit/(Loss) After Tax	186.07	287.72	(854.64)	(1282.91)

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 2021-22

During the Financial Year 2021-22, the Company incurred a profit after tax of ₹ 186.07 lakhs on standalone basis. On consolidated basis the loss stood at ₹ 854.64 lakhs.

To conserve the resources, 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 2022 and date of this report.

4. Public Deposits

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

5. Share Capital

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

Your Company has not issued any shares/securities during the Financial Year 2021-22.

6. Subsidiary, Associate and Joint Venture

As on 31st March, 2022, the Company has 5(five) subsidiaries named as Morton Foods Limited (Formerly known as 'Allahabad Canning Limited'), Champaran Marketing Co. Ltd, Hargaon Investment & Trading Co. Ltd, OSM Investment & Trading Co. Ltd and Hargaon Properties Ltd. 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 has been disclosed on the Company's website at <http://birlasugar.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 "F".

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 1 (one) Executive Director. Out of five Non-Executive Directors, four of them are Independent Directors. Mrs. Shalini Nopany, Non-Executive Woman Director is the Chairperson of the Company.

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

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

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Company. After detailed discussion at Board level as well as taking input from each Director, Nomination and Remuneration Committee finalized the format / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors including the Chairperson of the Company was carried out for the Financial Year 2021-22. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 10th February, 2022 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.

9. Key Managerial Personnel

The following directors / executives of your Company are whole-time Key Managerial Personnel (KMPs) as on 31st March, 2022 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 made by the Managing Director forms part of this report. The Code is available on the Company's website at the weblink: <http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>.

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 on 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 2022, 4 (Four) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the financial year 2021-22 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. Dinesh Kacholia, Mr. Arun Kumar Newar, Independent Directors and Mr. Chand Bihari Patodia, Managing Director. Mr. Chhedi Lal Agarwal, Independent

Director acts as the Chairman of the Audit Committee and the Company Secretary acts as the Secretary to the Committee 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 during the financial year 2021-22, 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. Mr. Chhedi Lal Agarwal, Independent Director acts as the Chairman of the Stakeholders' Relationship Committee and the Company Secretary acts as the Secretary to the Committee.

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

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. Mr. Arun Kumar Newar, Independent Director acts as the Chairman of the Nomination & Remuneration Committee and the Company Secretary acts as the Secretary to the Committee.

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

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 Notes 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 and 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, 2022, 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 behavior, actual or suspected fraud or violation of the Company's code of conduct and instances of leak of Unpublished Price Sensitive Information which are detrimental to the Company's interest. The 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 2021-22 is attached as Annexure "B" to this Report.

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

In terms of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2022 is uploaded on the website of the Company.

23. Auditors, Audit Qualifications and Board's Explanations

Statutory Auditors

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

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

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. The qualification expressed by the Statutory Auditors in the Consolidated Auditor's Report are self explanatory and do not call for further comments.

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 2021-22. 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. Accordingly, the Secretarial Audit Report of the material unlisted subsidiaries of the Company viz-a-viz Morton Foods Limited (Formerly known as '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 remarks in the Secretarial Audit Report of Morton Foods Limited (Formerly known as '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 2021-22.

24. Investor Education and Protection Fund

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

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

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

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

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

27. Particulars of Employees

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

28. Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Companies Act, 2013, to the best of their knowledge and belief your Directors make the following statements:

- that in the preparation of the annual financial statements for the year ended 31st March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit/loss of the Company for the year ended on that date;
- 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;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

29. CEO/CFO Certification

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

30. Acknowledgement

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

For and on behalf of the Board

Shalini Nopany

Chairperson

DIN: 00077299

Place: Kolkata

Dated: 12th May, 2022

Annexure A

Management & Discussion Analysis

Economic Overview

The global economy recovered fairly in financial year 2021-22 from the adverse impacts of COVID-19 pandemic. The year faced difficulties owing to the continuing and pervasive impact of COVID-19, especially with the advent of new variants causing increased fatalities. However, large-scale vaccination drives around the world, coupled with accommodative policy measures, boosted economic recovery.

According to the International Monetary Fund (IMF) outlook as of January 2022, global growth was predicted to be 4.4% in 2022, down from 5.9% in 2021, and will further drop to 3.8% in 2023. But the forecast hinges upon improved health conditions induced by aggressive vaccination drives, coupled with the availability of advanced and effective therapies. By the second quarter of 2022, the negative impact is expected to lessen, provided there are no fresh outbreaks.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10 to 15 years, backed by its robust democracy and strong partnerships. According to the International Monetary Fund, India's real GDP will grow at 9% in 2021-22 and 2022-23, and 7.1% in 2023-2024, making it the world's fastest growing major economy for all three years.

According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected due to large vaccination of population.

Food-grain production touched a new record in Financial Year 2021-22, with both kharif and rabi output crossing the final estimates for Financial Year 2020-21 as well as the targets set for Financial Year 2021-22. The farm sector remained upbeat due to higher minimum support prices announced by the government.

The Indian economy continued its positive momentum and rose by 20.1% and 8.4% respectively in the first two quarters of the year, primarily driven by a low base and restart of business activities across sectors. The recovery sustained with a 5.4% growth in third quarter. March 2022 recorded the highest ever monthly GST collections of ₹ 1.42 lakh crore indicating pick-up in economic activity. The average monthly gross GST collections for the last quarter of the financial year 2021-22 was ₹ 1.38 lakh crore against the average monthly collection of Rs. 1.10 lakh crore, ₹1.15 lakh crore and ₹ 1.30 lakh crore in the first, second and third quarter respectively.

Industry Structure and Developments

The country's financial services sector consists of capital markets, insurance sector and non-banking financial companies (NBFCs).

According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to reach USD 5 trillion, surpassing the UK, and become the fifth largest stock market worldwide by 2024.

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

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

Opportunities and Threats

Your Company is a Core Investment Company. The unpredictability in the stock market represents both opportunity as well as challenges for the Company. There are external risks as well, such as a more extreme slowdown in the global economy than anticipated. The Impact of the Covid pandemic on the corporate sector and investor confidence altogether will delay the pace of development for countries whose markets are at an earlier stage of development.

The food processing industry is a high growth industry and the same applies for it in Indian market. The government of India has acknowledged the food processing sector as a high priority industry and is currently promoting it with various fiscal reliefs and incentives. India has one of the largest working populations in the world. With increasing disposable incomes, this segment can be regarded as the biggest consumer of processed foods in the country.

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

Outlook

India's gross domestic product growth is forecast to expand at 7.4% in the current fiscal year ending in March 2023, with the risk tilted more to the downside from the escalating Russia-Ukraine war, according to the FICCI economic outlook survey. The latest round of FICCI's Economic Outlook Survey puts forth an annual median GDP growth forecast for financial year 2022-23 at 7.4 % with a minimum and maximum growth estimate of 6% and 7.8 %, respectively. However, it may be noted that downside risks to growth remain escalated. While the threat from the pandemic remains on fore, the continuation of Russia-Ukraine conflict is posing a significant challenge to global recovery. The hit to the global economy is still not completely clear as yet, and the overall situation remains volatile, and outlook is uncertain with risks amplified to the downside. Rising international commodity prices are the biggest risk emanating from the ongoing conflict as Russia and Ukraine are global suppliers of key commodities. Prolonging this conflict will further hit supplies of major raw materials, including crude oil, natural gas, food, fertilisers, and metals. Moreover, the COVID-19 pandemic is still causing shutdowns in major economies such as China, and a new wave could undo the progress and easing global supply chain blockages. The participants believed that inflation continues to be the most significant risk for India as well.

The tense global geopolitical situation and the consequent elevated commodity prices impart considerable uncertainty to the domestic inflation outlook. The restrictions on wheat exports should improve the domestic supplies but the shortfall in the rabi production due to the heat wave could be an offsetting risk. The forecast of a normal south-west monsoon augurs well for the kharif agricultural production and the food price outlook. Edible oil prices remain under pressure on adverse global supply conditions, notwithstanding some recent correction due to the lifting of export ban by a major supplier.

Consequent to the recent reduction in excise duties, domestic retail prices of petroleum products have moderated. International crude oil prices, however, remain elevated, with risks of further pass-through to domestic pump prices. There are also upside risks from revisions in the prices of electricity. Early results from manufacturing, services and infrastructure sector firms polled in the Reserve Bank's surveys expect further input and output price pressures going forward. Taking into account these factors, and on the assumption of a normal monsoon in 2022 and average crude oil price (Indian basket) of USD 105 per barrel, inflation is now projected at 6.7% in 2022-23, with first quarter at 7.5 %; second quarter at 7.4 %; third quarter at 6.2 %; and fourth quarter at 5.8 %, with risks evenly balanced

Performance

The Company operates in single segment which is to invest, deal etc. in securities. The businesses of the Company are carried out by its Wholly-owned Subsidiaries/ Subsidiary. The first three being wholly owned subsidiaries of the Company viz: OSM Investment & Trading Company Limited; Champaran Marketing Company Limited; Hargaon Investment & Trading Company Limited and are registered NBFC with RBI and primarily engaged in investment activities and whereas Hargaon Properties Ltd is a step down subsidiary engaged in investment of properties. And the other Subsidiary Company Morton Foods Limited (Formerly known as 'Allahabad Canning Limited') 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 , Pasta and Vermicelli.

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

The company has a retail distribution focused on North, East and Central India and covers 52000 outlets through a sales team deployed in these markets distributed through 350 distributors and 142 Super stockists. Spread across these markets.

The west and south market is covered for Modern Trade and Horeca customers through a limited manpower and distribution.

Morton Foods Ltd services and operates in the following customer segments

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

Morton Foods Ltd aims to achieve 100 Cr of topline business with a EBITDA breakeven in the current year 2022'23 by expanding the distribution to 75000 outlets through 500 + Distributors and 200+ Superstockist network in our focused Markets.

To achieve the above the company proposes to launch a range of new products and enter new market segments like CSD and exports to help increase topline profitably.

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 Morton Foods Limited (earlier known as 'Allahabad Canning Limited'). There has been no change during the year under review in the nature of business pursued by the Company.

Disclosure

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

Sl. No.	Particulars	31.03.2022	31.03.2021
(i)	Debtors Turnover	0	0
(ii)	Inventory Turnover	0	0
(iii)	Interest Coverage Ratio	18.39	23.89
(iv)	Current Ratio	29.75	27.33
(v)	Debt Equity Ratio	9.42%	10.40%
(vi)	Operating Profit Margin (%)	76.45%	86.40%
(vii)	Net Profit Margin (%)	76.25%	86.40%
(j)	details of any change in Return on Net Worth	7.03%	12.49%

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 Indian Accounting Standards Rules, 2015. The management has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit/loss for the year. The narrative on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

Annexure B

Report on Corporate Governance

1. Company's Philosophy

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

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

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

2. Board of Directors

- i. The Company has in all 6 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 6 directors, 4 (66.67%) are Independent Directors. The composition of the Board is in conformity with the Listing Regulations. The Board is headed by the Non-Executive Chairperson Mrs. Shalini Nopany.
- ii. The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the meetings and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, promoter group, its directors, management, subsidiaries or associates.
- iii. As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of SEBI (LODR) Regulations, 2015 as well as not have been debarred or disqualified from being appointed or continuing as director by SEBI/MCA or any other statutory authority. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.
- iv. The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Section 149(7) of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR) Regulations, 2015. Independent Directors do not serve in more than 7 listed companies.
- v. None of the Directors on the Board are inter-related to each other in terms of the definition of 'relative' given under the Companies Act, 2013.
- vi. The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- vii. The Independent Directors (IDs) met on 10th February, 2022 without the presence of the Chairperson, Managing Director, the Non-Executive Non-Independent Directors and the Management Team. The meeting was attended by Independent Directors in person and which enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the performance of non-independent directors, chairperson, co-chairperson and the Board as a whole as well as the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Board is of the opinion that independent directors fulfills the conditions specified in the Listing Regulations as amended from time to time and are independent of the management.

viii. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company. These are presented as a matrix below:

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

Familiarisation Programme

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

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

The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Director are uploaded on the website of the Company and can be accessed at <http://www.birla-sugar.com/Assets/Palash/Familiarisation%20Programme%20-%20Disclosure1.pdf>

Performance Evaluation

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

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

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

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

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

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

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

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

All Independent Directors have confirmed in their Annual Declaration to the Board that they have complied with all the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. All the Independent Directors have taken registration online with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs, Manesar (Haryana) in accordance with the provisions of Section 150 of the Companies Act, 2013.

Board meetings

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

During the period under review Four (4) Board Meetings were held on 12th May, 2021, 9th August, 2021, 12th November, 2021 and 10th February, 2022 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 financial year 2021-22 are tabled 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	Yes	6	-	1	SIL Investments Limited/ New India Retailing & Investment Limited	MD	NIL
Mr. Chand Bihari Patodia (DIN- 01389238)	MD	4	Yes	1	-	-	NIL	-	NIL
Mr. Dinesh Kacholia (DIN - 07640666)	I/NED	3	Yes	1	-	-	NIL	-	NIL
Mr. Chhedi Lal Agarwal (DIN - 07778603)	I/NED	4	Yes	4	-	2	Ganges Securities Limited	ID	NIL
Mr. Arun Kumar Newar (DIN - 07778968)	I/NED	4	Yes	2	-	2	Ganges Securities Limited	ID	NIL
Mr. Suresh Kumar Khandelia (DIN-00373797)	I/NED	3	Yes	1	-	1	NIL	-	NIL

C – Chairperson

I - Independent

NED - Non-executive Director

MD – Managing Director

Notes: 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.

For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

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

Committees of the Board

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

3. Audit Committee

I. Overall purpose/Objective

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

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

II. Terms of Reference

The Terms of Reference of this Committee includes inter-alia includes overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors, discussing with auditors significant findings, 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 last Annual General Meeting to provide clarifications and answer queries.

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

III. Composition and Meetings

As on 31st March, 2022, the Audit Committee comprises Mr. Chhedi Lal Agarwal, Mr. Dinesh Kacholia. Mr. Arun Kumar Newar, Independent Directors and Mr. Chand Bihari Patodia, Managing Director. Mr. Chhedi Lal Agarwal, Independent Director acts as the Chairman of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Chief Financial Officer (CFO) is a permanent invitee to the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors as well as Internal Auditors of the Company are invited to attend the Audit Committee meetings. The Company also invites the Secretarial Auditor to attend the meeting and discuss their report.

During the financial year 2021-22, 4 (Four) meetings of the Audit Committee were held on 12th May, 2021, 9th August, 2021, 12th November, 2021 and 10th February, 2022 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI (LODR) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr. Chhedi Lal Agarwal	Chairman	Independent Director	4
Mr. Dinesh Kacholia	Member	Independent Director	3
Mr. Arun Kumar Newar	Member	Independent Director	4
Mr. Chand Bihari Patodia	Member	Managing Director	4

4. Stakeholders' Relationship Committee

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

Terms of Reference:

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

Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 31st March, 2022 is as follows:

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

During the financial year 2021-22, the Committee met 4 (Four) times on 12th May, 2021, 9th August, 2021, 12th November, 2021 and 10th February, 2022 respectively. The Committee is headed by Mr. Chhedi Lal Agarwal an Independent Director and Ms. Mayuri Raja, Company Secretary is the Compliance Officer.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr. Chhedi Lal Agarwal	Chairman	Independent Director	4
Mr. Dinesh Kacholia	Member	Independent Director	3
Mr. Arun Kumar Newar	Member	Independent Director	4

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

The Company has 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, 2022, no complaint was received under SEBI Complaints Redress System (SCORES) and also there were no complaints pending at the end of the financial year.

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

5. Nomination and Remuneration Committee

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

I. Objectives:

The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifies the persons who are qualified to become Directors and who may be

appointed in senior management including their remuneration in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI (LODR) Regulations, 2015

II. Terms of Reference:

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

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

III. Composition and Meetings:

The Committee comprises of the following Directors:

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

During the period under review the Committee met 3 (Three) times on 12th May, 2021, 12th November, 2021 and 10th February, 2022 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	Chairman	Independent Director	3
Mr. Dinesh Kacholia	Member	Independent Director	3
Mr. Chhedi Lal Agarwal	Member	Independent Director	3

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 and 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 and 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 2021-22 is as below:

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

Sl. No.	Name of the Director	Amount (₹)
1	Mrs. Shalini Nopany	15,000/-
2	Mr. Chhedi Lal Agarwal	47,500/-
3	Mr. Arun Kumar Newar	47,500/-
4	Mr. Dinesh Kacholia	37,500/-
5	Mr. Suresh Kumar Khandelia	15,000/-

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

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

6. Corporate Social Responsibility Committee

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

7. Subsidiary Companies

As on 31st March, 2022, 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 and can be accessed at <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. Further, during the financial year, no materially significant transactions or arrangements were entered into between the Company and its promoters, Directors, Key Managerial personnel or their relatives etc. that may have potential conflict with the interests of the Company. Details of transactions with the related parties as specified in Indian Accounting Standards (Ind AS 24) have been reported in the Financial Statements. The Board has approved a policy for related party transactions which modified in line with amended provisions of Companies Act, 2013 read with SEBI (LODR) Regulations, 2015, as amended, and has been uploaded on the Company's website at the web-link <http://www.birla-sugar.com/Assets/Palash/Related%20Party%20Policy-Amended.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 Regulations 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 endeavor 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 2021-22, the Company has not received any complaint on sexual harassment from any women employees of the Company, neither there were any pending complaints to dispose off nor there were any complaints pending as on the end of the financial year 2021-22.

11. General Body Meetings

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

Financial Year	Date	Time	Location/ Mode of AGM
2020-21	25.08.2021	11.00 am	Through Video Conferencing (VC) Or Other Audio Visual Means (OAVM) pursuant to the MCA Circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020.
2019-20	24.09.2020	11.00 am	Through Video Conferencing (VC) Or Other Audio Visual Means (OAVM) pursuant to the MCA Circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020
2018-19	02.09.2019	10.00 am.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121

The last Annual General Meeting was held on 25.08.2021, which was chaired by Mrs. Shalini Nopany, Chairperson of the Company.

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

1. Reappointment of Mr. Chand Bihari Patodia as the Managing Director of the Company in the Annual General Meeting held on 24th September, 2020.
During the financial year 2021-22, 3 (three) special resolutions were passed through postal ballot on 13th March, 2022:
2. Re-appointment of Mr. Dinesh Kacholia (DIN: 07640666) as an Independent Director for a second term of five consecutive years commencing from March 14, 2022 up to March 13, 2027.
3. Re-appointment of Mr. Chhedi Lal Agarwal (DIN: 07778603) as an Independent Director for a second term of five consecutive years commencing from March 30, 2022 up to March 29, 2027.
4. Re-appointment of Mr. Arun Kumar Newar (DIN: 07778968) as an Independent Director for a second term of five consecutive years commencing from March 30, 2022 up to March 29, 2027.

12. Means of Communication

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in English and Hindi in Lukhnow, Kolkata and Mumbai edition.
- The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges within stipulate time through NSE Electronic Application Processing System (NEAPS)/Digital Exchange Platform and BSE Listing Centre.
- The Annual Report of the Company, the quarterly/half yearly and annual financial results are posted on the Company's website at www.palashsec.com after these are submitted to the stock exchanges.
- The Company also displays official press releases as and when released on the above website.
- Email id earmarked for redressing Investor queries is palashinvestors@birla-sugar.com.

13. General Shareholders' Information

i. 8th Annual General Meeting

Day : Tuesday

Date : 19th July, 2022

Time : 11.00 AM

Venue : Through Video Conferencing (VC) Or Other Audio Visual Means (OAVM) pursuant to the MCA Circular dated May 5, 2022, January 13, 2021 and May 5, 2020 and deemed venue shall be Registered Office of the Company.

ii. Tentative Financial Calendar for the year 2022-23

Audited Annual Results (2021-22)	Approved on 12th May, 2022
First Quarter Results	On or before 14th August, 2022
Second Quarter Results	On or before 14th November, 2022
Third Quarter Results	On or before 14th January, 2023
Audited Annual Results (2022-23)	On or before 30th May, 2023

iii. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 13th July, 2022 to Tuesday, 19th July, 2022 (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/ Symbol	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 2022-23 have been paid to the above Stock Exchanges.

vi. Market Price data

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

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April, 2021	54.70	46.90	54.25	45.80
May, 2021	64.00	53.70	66.85	53.60
June, 2021	92.60	59.00	93.50	57.75
July, 2021	87.30	71.25	87.90	71.30
August, 2021	81.50	58.20	82.85	57.30
September, 2021	89.80	68.20	90.65	67.20
October, 2021	97.65	67.60	94.95	67.30
November, 2021	90.00	67.00	88.90	66.20
December, 2021	105.00	67.00	98.00	66.10
January, 2022	91.65	77.75	91.80	79.00
February, 2022	97.80	74.60	99.25	76.10
March, 2022	117.50	92.15	117.45	91.25

vii. Performance of Company's Equity Shares in comparison to broad-based indices such as BSE sensx & Nifty 50

One year performance	31.03.2022	01.04.2021	Change (%)
-- Share Prices of Palash Securities Limited	106.80	46.90	127.72
-- S & P BSE Sensex	58,568.51	49,868.53	17.45
-- Share Prices of Palash Securities Limited	109.95	45.80	140.06
-- Nifty 50	17464.75	14798.40	18.02

*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 Agents (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondence, shares for transfer demat/remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address:

Link Intime India Pvt. Ltd. Unit: Palash Securities Limited

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

Tel: 91 033 4004 9728, Fax : 91 033-40731698, E-mail: kolkata@linkintime.co.in

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 (₹ per share)
30.03.2017	10003102	10

b. The Distribution of Shareholding as on 31st March, 2022 was as follows:

Range of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 - 500	7137	93.6614	509981	5.0982
501 - 1000	180	2.3622	131408	1.3137
1001 - 2000	137	1.7979	196846	1.9678
2001 - 3000	48	0.6299	117666	1.1763
3001 - 4000	25	0.3281	89271	0.8924
4001 - 5000	11	0.1444	47556	0.4754
5001 - 10000	30	0.3937	226191	2.2612
10001 and above	52	0.6824	8684183	86.8149
Total	7620	100.0000	10003102	100.0000

c. Detail of Shareholding pattern of the Company as on 31st March, 2022 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	7170928	71.69
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	78117	0.78
Bodies Corporate	634549	6.34
Societies	20500	0.20
Indian Public	2072416	20.72
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	26592	0.27
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. 9959264 Equity Shares viz. 99.56% have been dematerialized.

xii. Outstanding GDRs /ADRs/Warrants or Convertible Instrument

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

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

Not Applicable

xiv. Address for Correspondence:

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

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

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

14. Transfer of Shares in Unclaimed Suspense Account

Pursuant to Regulation 39 of the Listing Regulations, the Company had issued three reminders for the unclaimed equity shares were issued in physical form. The Company has transferred to the "Unclaimed Suspense Account" the unclaimed equity shares which were issued in physical form from time to time. The details of such unclaimed shares are as under:

Particulars	No. of Shares
Aggregate number of outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2022	18041

15. CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company have certified that all the requirements of the Listing Regulations inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2022, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

16. Information about directors seeking appointment/ re-appointment

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

17. Prevention of Insider Trading

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its designated persons. The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at <http://www.birla-sugar.com/Assets/Palash/palash%20code%20for%20fair%20disclosure.pdf>. The Code ensures the prevention of dealing in Company's shares/ securities by persons having access to unpublished price sensitive information. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. All Board members and the designated persons have confirmed compliance with the Code.

18. Code of Conduct

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

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

19. Legal Compliances

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

20. Reconciliation of Share Capital Audit

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

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

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

22. Secretarial Audit & Secretarial Compliance Report

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended March 31, 2022 is provided in the Annual Report. In addition to the Secretarial Audit Report, SEBI vide its Circular dated 8th February 2019 has mandated on annual basis a check by the company secretary in practice on compliance of SEBI Regulations and circulars/ guidelines issued thereunder and to submit a compliance report to the Company within 60 days of the end of the financial year, which was carried out by M/s Vinod Kothari & Co, Practising Company Secretary and their report shall be submitted to Stock Exchange within stipulated time and was uploaded on company's website www.birlasugar.com

23. Disclosures

- i. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No.28 of the Accounts in the Annual Report.
- ii. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- iii. The company has in place the Whistle Blower Policy and no personnel have been denied access to the Audit Committee.
- iv. The Company has complied with all the applicable mandatory requirements.

- v. In the preparation of the financial statements, the Company has followed Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013, as amended. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- vi. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in Note No. 23 to the Standalone Financial Statements and Note No. 36 to the Consolidated Financial Statements.
- vii. During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of SEBI (LODR) Regulations, 2015, as amended from time to time.
- viii. There were no instances where Board had not accepted any recommendations/ suggestions of any committee of Board which is mandatorily required during the financial year 2021-22.
- ix. As required under Part C of Schedule V the Listing Regulations, certificate dated May 12, 2022 obtained from M/s. A.K. Labh & Co, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority, is annexed hereto.

24. Discretionary Requirements

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

The Annual Report of the Company for the financial year 2021-22 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.

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

- iii. **Modified opinion(s) in audit report:** The Company always endeavors to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on 31st March, 2022.
- iv. **Separate posts of Chairperson and CEO:** The Company has appointed separate persons to the post of Chairperson and Managing Director/CEO.
- v. The positions of Chairperson and Managing Director are separate.
- vi. **Reporting of Internal Auditor:** The Internal Auditor may report directly to the Audit Committee. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

25. Web links to Company policies and programmes

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

- i. **Related Party Transaction Policies**
<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Related-Party-Transaction-Policy.pdf>
- ii. **Policy for determining Material Subsidiaries**
<http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>

iii. Code of Conduct

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

iv. Policy on Determination of Materiality

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

v. Policy on preservation of documents including archival

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

vi. Whistle Blower Policy

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

vii. Familiarisation Programme

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

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

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

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

Palash Securities Limited

P.O. - Hargaon, Dist. - Sitapur

Uttar Pradesh - 261121

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Palash Securities Limited** having CIN : L74120UP2015PLC069675 and having registered office at P.O. - Hargaon, Dist. - Sitapur, Uttar Pradesh – 261121 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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, 2022 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 the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Atul Kumar Labh

Membership No. : FCS 4848

Signature : CP No. : 3238

PRCN : 1038/2020

UIN : S1999WB026800

UDIN : F004848D000309781

Place : Kolkata

Date : 12th May, 2022

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 2021-22.

Place : Kolkata

Date : 12th May, 2022

Chand Bihari Patodia

Managing Director

DIN: 01389238

Annexure D

Independent Auditor's Report on Corporate Governance

To
The Members of
Palash Securities Limited

We have examined the compliance of conditions of Corporate Governance by **Palash Securities Limited** ("the Company") for the year ended on 31st March, 2022 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, 2022

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

For **AGRAWAL SUBODH & CO.**

Chartered Accountants

Firm Reg No: 319260E

Chetan Kumar Nathani

Partner

Place: Kolkata

Date: 12th May 2022

Membership No. 310904

UDIN: 22310904AIWIXF1354

Annexure E

Secretarial Audit Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

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

To,
The Members,
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, 2022 ['**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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the Period under Review, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, forms and returns filed and other records as maintained by the Company for the financial year ended on March 31, 2022 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. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, to the extent applicable:-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
5. 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.

Management Responsibility:

Kindly refer to our letter of even date which is annexed as **Annexure 'I'** which is to be read along with and forms an integral part of this report.

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.

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

We further report that there are adequate systems and processes in the Company 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

Barsha Dikshit
Partner

Membership No: A48152

CP No.: 18060

UDIN: A048152D000308654

Place: Kolkata

Date: 12th May 2022

Annexure I

Annexure To Secretarial Audit Report (Unqualified)

To,
The Members,
Palash Securities Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis and sample basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

ANNEXURE II

LIST OF DOCUMENTS

1. Draft Minutes of the following meetings:
 - a. Board Meeting;
 - b. Audit Committee;
 - c. Nomination and Remuneration Committee;
 - d. Stakeholders Relationship Committee;
 - e. Independent Directors' meeting;
 - f. General meeting;
2. Annual Report 2020-21;
3. Notice and Agenda for Board and Committee Meeting on sample basis.
4. Disclosures under Act, 2013 on sample basis and those under Listing Regulations;
5. Memorandum and Articles of Association;
6. Policies framed under Act, 2013 and Listing Regulations;
7. Forms and returns filed with the ROC;
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 stock exchange, on sample basis;
10. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 made to stock exchange, on sample basis.

Annexure E 1

Secretarial Audit Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,
The Members,

Morton Foods Limited
(Formerly known as Allahabad Canning Limited)

P. O. - Hargaon
Dist. - Sitapur, UP
Pin 261121

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Morton Foods Limited** (CIN: U15122UP2015PLC069645) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - 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 And Sweat Equity Shares) 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;
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for my opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Where ever required, We have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

- (i).Consent of the shareholders were accorded to change the name of the Company by altering the MOA and AOA of the Company from Allahabad Canning Limited to "Morton Foods Limited" by means of passing a Special Resolution at the EGM held on 28th September,2021.The name of Allahabad Canning Limited was changed to "**Morton Foods Limited**" with effect from 15th November, 2021 stated in Certificate of Incorporation pursuant to change of name.
- (ii).Consent of the Board was accorded to offer, issue, and allot on rights basis 24,38,579 (Twenty Four Lakhs Thirty Eight Thousand Five Hundred Seventy Nine) equity shares of face value of Rs 10/- at a premium of Rs 51.60/- fully paid up, to the persons who as on record date were holders of the equity shares of the Company in proportion (as nearly as circumstances admit) of 1 (One) new equity share for every 5 (Five) existing equity shares of the Company held by such person on the aforesaid date vide resolution passed at the board meeting held on 2nd November, 2021.
- (iii).Consent of the shareholders were accorded to increase the Authorised Capital of the Company from Rs. Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs 10/- (Rupees Ten) each to 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares of Rs 10/- (RupeesTen) each by altering the MOA by means of passing an Ordinary Resolution at the EGM held on 18th November,2021.

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

Arun Kumar Maitra

Partner

Place: Kolkata
Date: 06.05.2022

ACS: 3010; C.P. No.: 14490
UDIN:A003010D000277218

ANNEXURE-A 1**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 (2020-21);
 - 1.3. Annual Financial Results (2021-22);
 - 1.4. Memorandum and Articles of Association;
 - 1.5. Disclosures under the Companies Act, 2013 ;
 - 1.6. Policies framed under the Companies Act, 2013;
 - 1.7. Forms and returns filed with the ROC;
 - 1.8. Registers maintained under the Companies Act, 2013;

Annexure E 2

Secretarial Audit Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,

The Members,

CHAMPARAN MARKETING CO LTD

9/1 R N Mukherjee Road

Kolkata- 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHAMPARAN MARKETING CO LTD**. (CIN: U15424WB1951PLC019451) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - 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 And Sweat Equity Shares) Regulations, 2021;
 - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

6. The Company is not carrying any manufacturing business and is engaged in investment activities. The Company is a NBFC Registered with Reserve Bank of India bearing registration Number 05.00192 dated 21st February, 1998. The Management represented that no other specific law are applicable to it.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

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

Management Responsibility:

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

I report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

Arun Kumar Maitra

Partner

ACS: 3010

C.P. No.: 14490

UDIN:A003010D000289186

Place: Kolkata

Date: 08.05.2022

ANNEXURE-A 1**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 (2020-21);
 - 1.3. Annual Financial Results (2021-22);
 - 1.4. Memorandum and Articles of Association;
 - 1.5. Disclosures under the Companies Act, 2013 ;
 - 1.6. Policies framed under the Companies Act, 2013;
 - 1.7. Forms and returns filed with the ROC and RBI;
 - 1.8. Registers maintained under the Companies Act, 2013;

Annexure E 3

Secretarial Audit Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - 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 And Sweat Equity Shares) Regulations, 2021;
 - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

6. The Company is not carrying any manufacturing business and is engaged in investment activities. The Company is a NBFC Registered with Reserve Bank of India bearing registration Number 05.00291 dated 21st February, 1998. The Management represented that no other specific law are applicable to it.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

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

Management Responsibility:

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

We report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

Arun Kumar Maitra

Partner

ACS: 3010

C.P. No.: 14490

UDIN No: A003010D000289230

Place: Kolkata

Date: 09.05.2022

ANNEXURE-A 1**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 (2020-21);
 - 1.3. Annual Financial Results (2021-22);
 - 1.4. Memorandum and Articles of Association;
 - 1.5. Disclosures under the Companies Act, 2013 ;
 - 1.6. Policies framed under the Companies Act, 2013;
 - 1.7. Forms and returns filed with the ROC and RBI;
 - 1.8. Registers maintained under the Companies Act, 2013;

Annexure E4

Secretarial Audit Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,

The Members

OSM INVESTMENT & TRADING CO LTD.

9/1 R N Mukherjee Road

Kolkata- 700001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - 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 And Sweat Equity Shares) Regulations, 2021;
 - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

6. The Company is not carrying any manufacturing business and is engaged in investment activities. The Company is a NBFC Registered with Reserve Bank of India bearing registration Number 05.00288 dated 21st February, 1998. The Management represented that no other specific law are applicable to it.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

Management Responsibility:

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

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

We report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

Arun Kumar Maitra

Partner

ACS: 3010

C.P. No.: 14490

UDIN No: A003010D000289252

Place: Kolkata

Date: 09.05.2022

ANNEXURE-A 1**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 (2020-21);
 - 1.3. Annual Financial Results (2021-22);
 - 1.4. Memorandum and Articles of Association;
 - 1.5. Disclosures under the Companies Act, 2013 ;
 - 1.6. Policies framed under the Companies Act, 2013;
 - 1.7. Forms and returns filed with the ROC and RBI;
 - 1.8. Registers maintained under the Companies Act, 2013;

Annexure F

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries

(₹ In Lakhs)

Sl. No.	1	2	3	4	5
Name of the subsidiary	Morton Foods Limited (Formerly 'Allahabad Canning Limited')	Hargaon Investment & Trading Co Ltd	OSM Investment & Trading Co Ltd	Champan Marketing Co Ltd	Hargaon Properties Limited#
Financial Year ending on	31-03-2022	31-03-2022	31-03-2022	31-03-2022	31-03-2022
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	1463.15	304.57	174.04	108.73	50.00
Other Equity	2828.15	28525.35	14477.05	8900.34	(4.24)
Total assets	7780.93	29125.52	15812.05	9600.71	47.86
Total Liabilities	7780.93	29125.52	15812.05	9600.71	47.86
Investments	0.01	28922.42	15682.27	9372.43	-
Turnover	5079.44	198.24	56.88	69.31	-
Profit/(Loss) before taxation	(1711.88)	186.72	53.43	64.54	(1.17)
Provision for taxation	(459.09)	12.51	2.42	2.57	-
Profit/(Loss) after taxation	(1252.79)	174.21	51.01	61.97	(1.17)
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 Champan Marketing Co. Ltd.
- *Palash Securities Limited directly and indirectly through its wholly owned subsidiaries Hargaon Investment & Trading Co. Ltd, OSM Investment & Trading Co. Ltd and Champan Marketing Co. Ltd holds 100% shareholding.

Part "B": Associates and Joint Ventures

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

The Company has no Associates/Joint Ventures

Place: Kolkata

Date: 12th May, 2022

Shalini 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, 2022, 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, 2022, the Profit and total comprehensive profit, its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

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

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

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

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

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

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

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

Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles

generally accepted in India, including the applicable Indian Accounting Standards (IND AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

Auditor's Responsibility

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

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

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

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.

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 Including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Indian 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, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, 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.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - v. The Company has neither declared nor paid dividend during the previous year. The Board of Directors of the Company have also not proposed dividend for the current year.
- 2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “**Annexure B**”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **Agrawal Subodh & Co.**

Chartered Accountants

Firm’s Registration No. 319260E

Chetan Kumar Nathani

Partner

Place: Kolkata

Date: 12th May 2022

Membership No. 310904

UDIN: 22310904AIWIOD1081

Annexure – A

to the Independent Auditors' Report on the Financial Statements of Palash Securities Limited as on 31st March 2022

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the Standalone Ind AS financial statements as on 31 March, 2022)

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

We have audited the internal financial controls over financial reporting of Palash Securities Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Agrawal Subodh & Co.**

Chartered Accountants

Firm's Registration No. 319260E

Chetan Kumar Nathani

Partner

Place: Kolkata

Date: 12th May 2022

Membership No. 310904

UDIN: 22310904AIWIOD1081

Annexure – B

to the Independent Auditors' Report on the Financial Statements of Palash Securities Limited as on 31st March 2022

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the Standalone Ind AS financial statements as on 31 March, 2022)

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

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

- d. The company has not revalued any of its property, plant, and equipment (including Right to Use assets) or intangible assets or both during the year.
- e. According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. In respect of the Company's Inventory and Working capital
- a. The Company is a Core Investment Company (CIC) as per RBI guidelines and does not hold any physical inventory. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b. The company has not availed any working capital facilities at any point of time during the year from any banks or financial institutions. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. The company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties, during the year, hence reporting under clause 3 (iii) (a), (b), (c), (d), (e) and (f) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as (amended). Hence, paragraph 3(v) of the Order is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for business activities carried out by the company. Accordingly, Clause 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - a. In our opinion, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues applicable to it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.
 - b. There are no statutory dues which are disputed; hence this clause is not applicable on the Company.
- viii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- ix.
 - a) The company has not taken loans or other borrowings from financial institutions, banks, government or from debenture holders. Hence reporting under Clause 3(ix)(a) of the Order is not applicable.
 - b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - c) According to the information and explanation given to us, the Company has not taken any term loan during the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
 - d) According to the information and explanation given to us, and the procedures performed by us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used during the year for long-term purposes by the Company.
 - e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint venture and associates.
 - f) According to the information and explanation given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause (ix)(f) of the Order is not applicable.
- x.
 - a) The Company not raised any money by way of initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
 - b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi.
 - a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
 - b) No report under sub-section (12) of section 143 of the Companies Act has been filed by auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.

- xii. According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
b) We have considered, the internal audit reports issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3 (xv) of the Order is not applicable.
- xvi. a) & b) According to the information and explanation given to us, the company being a Core Investment Company (CIC) fulfilling the criteria of Unregistered CIC. Hence the company is exempted from registration under section 45-IA of the Reserve Bank of India Act, 1934.
c) According to the information and explanation given to us, the company is an exempted or unregistered Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and it continues to fulfill such criteria.
d) According to the information and explanations given to us, the group has 4 CICs (including the company) which are part of the group.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion section 135 of companies Act, 2013, is not applicable to the company during the year. Hence, reporting under Clause 3(xx) of the order not applicable to the company.

For Agrawal Subodh & Co.

Chartered Accountants

Firm's Registration No - 319260E

Chetan Kumar Nathani

Partner

Place: Kolkata

Date: 12th May 2022

Membership No - 310904

UDIN:A003010D000289186

Balance Sheet as at 31 March 2022

(₹ in lakhs)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
1. Financial Assets			
(a) Cash and Cash Equivalents	4	40.62	221.48
(b) Receivables			
(I) Trade Receivables	5	-	-
(II) Other Receivables	5	4.05	-
(c) Investments	6	2,786.50	2,281.73
(d) Other Financial Assets	7	0.77	2.16
Total Financial Assets		2,831.94	2,505.37
2. Non-financial Assets			
(a) Current Tax Assets (net)	8	48.93	28.33
(b) Investment Property	9	37.26	39.40
(c) Property, Plant and Equipment	9	0.05	0.06
(d) Other Non-financial Assets	10	1.77	0.91
Total Non-financial Assets		88.01	68.70
TOTAL ASSETS		2,919.95	2,574.07
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial Liabilities			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	11	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	3.01	6.84
(b) Deposits	12	17.89	16.61
(c) Subordinated Liabilities	13	249.21	239.64
(d) Other Financial Liabilities	14	-	2.30
Total Financial Liabilities		270.11	265.39
2. Non-financial Liabilities			
(a) Other Non-financial Liabilities	15	3.30	4.69
Total Non-financial Liabilities		3.30	4.69
Total Liabilities		273.41	270.08
EQUITY			
(a) Equity Share Capital	16	1,000.31	1,000.31
(b) Other Equity	17	1,646.23	1,303.68
Total Equity		2,646.54	2,303.99
TOTAL LIABILITIES AND EQUITY		2,919.95	2,574.07
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 and on behalf of the Board of Directors

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Chetan Kumar Nathani

Partner

Membership No.: 310904

Chand Bihari Patodia

Managing Director

DIN: 01389238

Shalini Nopany

Director

DIN: 00077299

Mayuri Raja
Company Secretary

Deepak Kumar Sharma
Chief Financial Officer

Place: Kolkata
Date: 12 May 2022

Statement of Profit and Loss for the year ended 31 March 2022

(₹ in lakhs)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
I. Revenue from Operations			
(i) Interest Income	18	6.80	7.06
(ii) Dividend Income		75.41	290.77
Total Revenue from Operations		82.21	297.83
II. Other Income			
(i) Rental Income		161.69	35.02
(ii) Other Income	19	0.13	0.13
Total Other Income		161.82	35.15
III. Total Income (I + II)		244.03	332.98
IV. Expenses			
(i) Finance Costs	20	10.85	12.66
(ii) Fees and Commission Expenses	21	6.59	7.12
(iii) Depreciation Expenses	22	2.15	2.13
(iv) Other Expenses	23	37.87	23.37
Total Expenses		57.46	45.28
V. Profit before Tax (III - IV)		186.57	287.70
VI. Tax expense	24		
Current tax		-	-
Provision for tax related to earlier years		0.50	(0.02)
Deferred tax		-	-
Total Tax expenses		0.50	(0.02)
VII. Profit for the year (V - VI)		186.07	287.72
VIII. 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		156.48	70.88
(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		156.48	70.88
IX. Total comprehensive income for the year (VII + VIII)		342.55	358.60
X. Earnings per equity share [Nominal value per equity share ₹ 10 (₹10)]	25		
(a) Basic (₹)		1.86	2.88
(b) Diluted (₹)		1.86	2.88
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

Chetan Kumar Nathani

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Membership No.: 310904

Chand Bihari Patodia

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Director

DIN: 00077299

Place: Kolkata

Date: 12 May 2022

Mayuri Raja
Company Secretary**Deepak Kumar Sharma**
Chief Financial Officer

Statement of Changes in Equity for the year ended 31 March 2022

A. Equity Share Capital

Particulars	Notes	As at 31 March 2022		As at 31 March 2021	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	16	10,003,102	1,000.31	10,003,102	1,000.31
Changes in Equity Share Capital due to prior period errors		-	-	-	-
Restated balance at the beginning of the year		10,003,102	1,000.31	10,003,102	1,000.31
Change in equity share capital during of the year		-	-	-	-
Balances at the end of the year	16	10,003,102	1,000.31	10,003,102	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 2020	1,635.40	(725.13)	34.81	945.08
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the year	1,635.40	(725.13)	34.81	945.08
Total comprehensive income for the year				
- Profit	-	287.72	-	287.72
- Net change in fair value of equity investments	-	-	70.88	70.88
Total comprehensive income	-	287.72	70.88	358.60
Balance as at 31 March 2021	1,635.40	(437.41)	105.69	1,303.68
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the year	1,635.40	(437.41)	105.69	1,303.68
Total comprehensive income for the year				
- Profit	-	186.07	-	186.07
- Net change in fair value of equity investments	-	-	156.48	156.48
Total comprehensive income	-	186.07	156.48	342.55
Balance as at 31 March 2022	1,635.40	(251.34)	262.17	1,646.23

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

Capital Reserve

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

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Chetan Kumar Nathani

Partner

Membership No.: 310904

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Director

DIN: 00077299

Mayuri Raja
Company Secretary

Deepak Kumar Sharma
Chief Financial Officer

Place: Kolkata
Date: 12 May 2022

Cash Flow Statement for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	186.57	287.70
Adjustments for:		
Interest Income	(1.33)	(3.82)
Finance Costs	10.85	12.66
Depreciation Expenses	2.15	2.13
	198.24	298.67
Working capital adjustments:		
(Increase) / Decrease in Receivables	(4.05)	8.45
Decrease / (Increase) in Other Financial Assets	1.39	(1.56)
(Increase) in Other Non-financial Assets	(0.86)	(0.26)
(Decrease) / Increase in Payables	(3.83)	0.69
(Decrease) in Other Financial Liabilities	(2.30)	(14.28)
(Decrease) in Other Non-financial Liabilities	(0.06)	(0.49)
Cash Generation from Operations	188.53	291.22
Income tax paid (net of refund received)	(21.10)	(22.61)
Net Cash generated from Operating Activities	167.43	268.61
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Investment made in equity shares of a related party	(348.29)	-
Net Cash used in Investing Activities	(348.29)	-
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Deposits	-	(50.00)
Net Cash used in Financing Activities	-	(50.00)
Net Changes in Cash & Cash Equivalents (A + B + C)	(180.86)	218.61
Cash & Cash Equivalents at the beginning of the year	221.48	2.87
Cash & Cash Equivalents at the end of the year	40.62	221.48

Change in Liabilities arising from financing activities

(₹ in lakhs)

Particulars	As on 1 April 2021	Cash Flow	Change in Fair Value	As on 31 March 2022
Deposits [Note 12]	16.61	-	1.28	17.89
Subordinated Liabilities [Note 13]	239.64	-	9.57	249.21
Particulars	As on 1 April 2020	Cash Flow	Change in Fair Value	As on 31 March 2021
Deposits [Note 12]	67.14	(50.00)	(0.53)	16.61
Subordinated Liabilities [Note 13]	230.44	-	9.20	239.64

As per our report of even date attached

For and on behalf of the Board of Directors

For **Agrawal Subodh & Co.**

Chartered Accountants

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Membership No.: 310904

Chand Bihari Patodia

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Shalini Nopany

Director

DIN: 00077299

Place: Kolkata

Date: 12 May 2022

Mayuri Raja
Company Secretary**Deepak Kumar Sharma**
Chief Financial Officer

Notes to Financial Statements for the year ended 31 March 2022

1. Reporting entity

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

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

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 12 May 2022.

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

2.2 Functional and presentation currency

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

2.3 Presentation of financial statements

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

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

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

2.4 Basis of measurement

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

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

2.5 Use of judgements, estimates and assumptions

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

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

Note 6 - Determining the fair values of investments.

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 29 - Recognition of deferred tax assets: availability of future taxable profit and income tax thereon against which carried forward business losses, unabsorbed depreciation and deductions allowed on payment / other basis can be used;

Note 30 - 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 for the year ended 31 March 2022 (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 assets is measured at amortised cost if it meet both of the following conditions and is not designated as at FVTPL:

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

The details of these conditions are outlined below.

Business model assessment

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

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

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

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

The SPPI test

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

'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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

the currency in which the financial asset is denominated, and the period for which the interest rate is set.

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

iii) **Financial assets at FVOCI**

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

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

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

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

iv) **Financial assets at FVTPL**

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

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

Financial assets: Assessment whether contractual cash flows are SPPI.

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

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

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

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

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

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

vii) **Financial liabilities at FVTPL**

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

viii) **Financial liabilities at amortised cost**

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

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

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

Derecognition

i) **Financial assets**

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

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

ii) **Financial liabilities**

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

Offsetting

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

Impairment

i) Impairment of financial assets

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

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

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

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

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

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

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.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

(ii) *Impairment of non-financial assets*

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

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

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

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

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

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

3.2 Cash and cash equivalents

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

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

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.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

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

3.4 Property, plant and equipment

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

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

The estimated useful lives are, as follows:

- Buildings 30 years

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

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

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

3.5 Capital work-in-progress (CWIP)

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

3.6 Lease

As a lessee

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

(a) Right-of-use assets

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

(b) *Lease Liabilities*

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

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

Short-term lease and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

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

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

3.7 Provisions (other than for employee benefits)

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

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.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

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

Interest income

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

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

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

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

3.10 Recognition of income and expenses

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

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

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

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.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

Trading income

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

Expenses

All expenses are accounted for on accrual basis.

3.11 Income tax

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

Current tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

3.13 Earnings per share

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

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

3.14 Dividend on ordinary shares

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

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

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

3.15 Determination of fair values

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

i) Financial assets

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

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

ii) Trade and other receivables

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

iii) Financial liabilities

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

3.16 Recent accounting pronouncement

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to the existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1 April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing / trail phase, clarification added that revenue generated out of the same shall not be recognised in the profit or loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture – This aligns the fair value measurement therein with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary / associate / JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary / associate / JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The Company has evaluated the effect of the above on the financial statements and the impact is not material.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

4. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- Current accounts	15.58	21.44
Bank deposits having maturity of three months or less of original maturities	25.00	200.00
Cash on hand	0.04	0.04
	40.62	221.48

5. Receivables

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Trade receivables	-	-
Other receivables *	4.05	-
	4.05	-

* in case of as on 31 March 2022, outstanding is less than six months from date of transaction and undisputed.

- (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) The Company's exposure to credit risks and loss allowances related to receivables are disclosed in Note 30(C).

6. Investments

(₹ in lakhs)

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2022	As at 31 March 2021
Equity shares (fully paid) carried at FVOCI - (Quoted)				
- Avadh Sugar & Energy Ltd.	13,614	10.00	98.96	25.24
- Magadh Sugar & Energy Ltd.	20,238	10.00	63.73	20.65
- Ganges Securities Ltd.	16,060	10.00	21.38	9.48
			184.07	55.37
Equity shares (fully paid) carried at FVOCI - (Unquoted)				
- Birla Buildings Ltd.	1,920	10.00	43.16	14.25
- Moon Corporation Ltd. ('A' Class)	745	100.00	36.74	38.27
- Moon Corporation Ltd. ('B' Class)	2,502	5.00	6.17	6.42
- The Oudh Trading Company Pvt. Ltd.	25	100.00	6.45	5.80
- Bihar State Financial Corporation Ltd.	70	100.00	-	-
			92.52	64.74

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

6. Investments (Contd.)

(₹ in lakhs)

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2022	As at 31 March 2021
Equity shares (fully paid) of Subsidiaries carried at amortised cost - (Unquoted)				
- Morton Foods Ltd. [Formerly known as Allahabad Canning Ltd.]	11,549,930	10.00	1,446.75	1,098.46
(As on 31 March 2021: 1,09,84,588)				
- Champaran Marketing Company Ltd.	4,349,000	2.50	192.96	192.96
- Hargaon Investment & Trading Ltd.	3,045,727	10.00	609.14	609.14
- OSM Investment & Trading Company Ltd.	1,740,418	10.00	261.06	261.06
			2,509.91	2,161.62
			2,786.50	2,281.73
Investments outside India			-	-
Investments in India			2,786.50	2,281.73
			2,786.50	2,281.73

- (a) The Company received dividends other than from subsidiaries of ₹ **1.45 lakhs** (31 March 2021: ₹ 1.45 lakhs) from its investments in equity shares, carried at FVOCI, recognised as dividend income.
- (b) The Company has designated its equity investments at FVOCI on the basis that these are not held for trading and held for strategic purposes.
- (c) No strategic investment was disposed off during 2021-22 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 2022	As at 31 March 2021
At amortised cost		
Security deposits	0.60	0.60
Interest accrued on bank deposits	0.17	1.56
	0.77	2.16

8. Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Tax deducted at sources	48.93	28.33
Less: Provision for taxation	-	-
	48.93	28.33

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

(₹ in lakhs)

Particulars	Investment Property			PPE - Buildings
	Freehold Land	Buildings	Total	
Reconciliation of carrying amount				
Cost or deemed cost (gross carrying amount)				
Balance at 1 April 2020	9.89	36.25	46.14	0.08
Additions during the year	-	-	-	-
Disposals / discard during the year	-	-	-	-
Balance at 31 March 2021	9.89	36.25	46.14	0.08
Additions during the year	-	-	-	-
Disposals / discard during the year	-	-	-	-
Balance at 31 March 2022	9.89	36.25	46.14	0.08

(₹ in lakhs)

Particulars	Investment Property			PPE - Buildings
	Freehold Land	Buildings	Total	
Accumulated depreciation				
Balance at 1 April 2020	-	4.61	4.61	0.02
Depreciation for the year	-	2.13	2.13	-
Disposals / discard during the year	-	-	-	-
Balance at 31 March 2021	-	6.74	6.74	0.02
Depreciation for the year	-	2.14	2.14	0.01
Disposals / discard during the year	-	-	-	-
Balance at 31 March 2022	-	8.88	8.88	0.03
Carrying amount (net)				
At 31 March 2021	9.89	29.51	39.40	0.06
At 31 March 2022	9.89	27.37	37.26	0.05

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

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Freehold Land alongwith Building	1,181.90	575.55

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

The amounts recognised in profit or loss for:

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Rental income from investment property	161.69	35.02
(ii) Expenses (including tax, insurance, repairs and maintenance etc.) other than depreciation in relation to investment property that generated rental income during the year; and	8.06	2.73
(iii) Expenses (including tax, insurance, repairs and maintenance etc.) other than depreciation in relation to investment property that did not generate rental income during the year	-	6.33

10. Other Non-financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good)		
Advances other than Capital Advances		
Advances to suppliers	0.58	0.91
Other advances		
- Balance with government authorities	1.19	-
	1.77	0.91

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

11. Payables

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Payables *		
Total outstanding dues of micro enterprises and small enterprises; and	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.01	6.84
	3.01	6.84
* entire outstanding are unbilled.		
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 2022	As at 31 March 2021
At amortised cost		
Security deposits taken against investment property	17.89	16.61
	17.89	16.61

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

13. Subordinated Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (at amortised cost)	249.21	239.64
	249.21	239.64

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.

14. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Liabilities for capital goods	-	2.30
	-	2.30

15. Other Non-financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues	1.30	1.36
Deferred income on security deposits	2.00	3.33
	3.30	4.69

16. Share Capital

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised:		
1,35,00,000 equity shares of ₹ 10 each	1,350.00	1,350.00
15,00,000 preference shares of ₹ 10 each	150.00	150.00
	1,500.00	1,500.00
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

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning and at the end of the year	10,003,102	1,000.31	10,003,102	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.

16. Share Capital (Contd.)

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	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				
Ganges Securities Ltd. *	1,283,234	12.8284	1,283,234	12.8284
SCM Investment & Trading Co. Ltd.	1,078,958	10.7862	1,078,958	10.7862
New India Retailing & Investment Ltd.	1,071,532	10.7120	1,071,532	10.7120
RTM Investment & Trading Co. Ltd.	904,951	9.0467	904,951	9.0467
Deepshikha Trading Co. Pvt. Ltd.	688,741	6.8853	688,741	6.8853
Sonali Commercial Ltd.	562,658	5.6248	512,658	5.1250
Ronson Traders Ltd.*	538,463	5.3830	-	-
NCCRPS of ₹ 10 each fully paid up held by				
Sutlej Textiles & Industries Ltd.	1,300,000	100.0000	1,300,000	100.0000

*Note: As on 31 March 2021, equity shares of the Company held by Ronson Traders Limited were not more than 5%.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

(d) Details of shares held by promoters:

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Equity shares of ₹ 10 each fully paid up held by						
As on 31st March, 2022						
1	Ganges Securities Ltd. *	1,283,234	-	1,283,234	12.8284%	-
2	SCM Investment & Trading Co. Ltd.	1,078,958	-	1,078,958	10.7862%	-
3	New India Retailing & Investment Ltd.	1,071,532	-	1,071,532	10.7120%	-
4	RTM Investment & Trading Co. Ltd.	904,951	-	904,951	9.0467%	-
5	Deepshikha Trading Co. Pvt. Ltd.	688,741	-	688,741	6.8853%	-
6	Sonali Commercial Ltd.	512,658	50,000	562,658	5.6248%	0.4998%
7	Ronson Traders Ltd.	485,268	53,195	538,463	5.3830%	0.5318%
8	Sidh Enterprises Ltd.	306,658	-	306,658	3.0656%	-
9	Yashovardhan Investment & Trading Co. Ltd.	200,161	104,554	304,715	3.0462%	1.0452%
10	Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]	10	204,924	204,934	2.0487%	2.0486%
11	Uttam Commercial Ltd.	117,643	50,000	167,643	1.6759%	0.4998%
12	Mr. Chandra Shekhar Nopany	28,468	-	28,468	0.2846%	-
13	Rajpur Farms Ltd.	15,315	-	15,315	0.1531%	-
14	Narkatiaganj Farms Ltd.	9,756	-	9,756	0.0975%	-
15	Mrs. Nandini Nopany	4,167	258	4,425	0.0442%	0.0025%
16	The Oudh Trading Co. Pvt. Ltd.	477	-	477	0.0048%	-
17	Mr. Chandra Shekhar Nopany [As Trustee of Shruti Family Trust]	258	(258)	-	-	(0.0026%)
		6,708,255	462,673	7,170,928	71.6870%	4.6251%

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
As on 31st March, 2021						
1	Ganges Securities Ltd.*	1,283,234	-	1,283,234	12.8284%	-
2	SCM Investment & Trading Co. Ltd.	1,078,958	-	1,078,958	10.7862%	-
3	New India Retailing & Investment Ltd.	1,071,532	-	1,071,532	10.7120%	-
4	RTM Investment & Trading Co. Ltd.	904,951	-	904,951	9.0467%	-
5	Deepshikha Trading Co. Pvt. Ltd.	664,129	24,612	688,741	6.8853%	0.2460%
6	Sonali Commercial Ltd.	387,658	125,000	512,658	5.1250%	1.2496%
7	Ronson Traders Ltd.	460,268	25,000	485,268	4.8512%	0.2499%
8	Sidh Enterprises Ltd.	306,658	-	306,658	3.0656%	-
9	Yashovardhan Investment & Trading Co. Ltd.	200,161	-	200,161	2.0010%	-
10	Uttam Commercial Ltd.	117,643	-	117,643	1.1761%	-
11	Mr. Chandra Shekhar Nopany	28,468	-	28,468	0.2846%	-
12	Rajpur Farms Ltd.	15,315	-	15,315	0.1531%	-
13	Narkatiaganj Farms Ltd.	9,756	-	9,756	0.0975%	-
14	Mrs. Nandini Nopany	4,167	-	4,167	0.0417%	-
15	The Oudh Trading Co. Pvt. Ltd.	477	-	477	0.0048%	-
16	"Mr. Chandra Shekhar Nopany [As Trustee of Shruti Family Trust]"	258	-	258	0.0026%	-
17	"Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]"	10	-	10	0.0001%	-
		6,533,643	174,612	6,708,255	67.0619%	1.7455%
8.5% NCCRPS of ₹ 100 each fully paid up held by						
As on 31st March, 2022						
1	Sutlej Textiles & Industries Ltd.	1,300,000	-	1,300,000	100.0000%	-
		1,300,000	-	1,300,000	100.0000%	-
As on 31st March, 2021						
1	Sutlej Textiles & Industries Ltd.	1,300,000	-	1,300,000	100.0000%	-
		1,300,000	-	1,300,000	100.0000%	-

*Uttar Pradesh Trading Co. Ltd. has been merged with Ganges Securities Ltd.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

17. Other Equity

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Reserve		
Balance at the beginning and at the end of the year	1,635.40	1,635.40
Retained Earnings		
Balance at the beginning of the year	(437.41)	(725.13)
Profit / (Loss) for the year	186.07	287.72
Balance at the end of the year	(251.34)	(437.41)
Equity Instruments through OCI		
Balance at the beginning of the year	105.69	34.81
Net change in fair value for the year	156.48	70.88
Balance at the end of the year	262.17	105.69
	1,646.23	1,303.68

18. Interest Income

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On financial assets measured at amortised		
Interest on security deposits	1.33	3.82
Interest on bank deposits	5.47	3.24
	6.80	7.06

19. Other Income

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on refund from income tax department	0.13	0.13
Miscellaneous Income *	-	-
	0.13	0.13

*During the year ended 31 March 2021, amount, being less than ₹ 500, has been shown as ₹ "-".

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

20. Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On Financial Liabilities measured at amortised cost:		
Interest on Deposits	1.28	3.46
Interest on Subordinated Liabilities	9.57	9.20
	10.85	12.66

21. Fees and Commission Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Listing and Other Regulatory Fees	6.42	7.08
Fees related to ROC matters	0.17	0.04
	6.59	7.12

22. Depreciation Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on Investment Property [Note 9]	2.14	2.13
Depreciation on Property, Plant and Equipment [Note 9]	0.01	-
	2.15	2.13

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

23. Other Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
Rent, Tax and Energy Costs		2.07		2.86
Repairs and Maintenance		5.21		5.60
Communication Costs		0.03		0.10
Printing and Stationery		2.10		2.24
Advertisement and Publicity		1.18		0.92
Director's Sitting Fees [Note 28]		1.63		1.43
Auditor's Fee and Expenses				
<i>As Auditors</i>				
- Statutory audit	1.25		1.25	
- Limited review of quarterly results	0.75		0.75	
<i>In other capacity</i>				
- For certificates and other services	2.85	4.85	2.75	4.75
Legal and Professional Charges		18.23		3.72
Insurance		0.83		0.65
Other Expenses		1.74		1.10
		37.87		23.37

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

24. Tax expense

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	-	-
Provision for tax related to earlier years	0.50	(0.02)
Deferred tax		
Attributable to origination and reversal of temporary differences	-	-
	0.50	(0.02)

Reconciliation of effective tax

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Rate	₹ in lakhs	Rate	₹ in lakhs
Profit before tax		186.57		287.70
Tax using the Company's domestic tax rate	25.168%	46.96	25.168%	72.41
Tax effect of:				
- Deferred tax expense adjusted with deferred tax assets not recognised		(47.34)		(41.92)
- Amount related to earlier years		-		(37.34)
- Interest expense on Preference shares classified as subordinated liability not deductible for tax purposes		2.41		2.32
- Others (including permanent differences)		(1.53)		4.51
Effective tax		0.50		(0.02)

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:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Profit attributable to equity shareholders (₹ in lakhs)	186.07	287.72
(ii) Weighted average number of equity shares for the year		
At the beginning and at the end of the year	10,003,102	10,003,102
(iii) Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]		
Basic and Diluted (₹)	1.86	2.88

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 for the year ended 31 March 2022 (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 2022		
	Within twelve months	After twelve months	Total
Financial Assets:			
Cash and Cash Equivalents	40.62	-	40.62
Receivables	4.05	-	4.05
Investments	-	2,786.50	2,786.50
Other Financial Assets	0.77	-	0.77
Non-financial Assets:			
Current Tax Assets (net)	48.93	-	48.93
Investment Property	-	37.26	37.26
Property, Plant and Equipment	-	0.05	0.05
Other Non-financial Assets	1.77	-	1.77
Total Assets	96.14	2,823.81	2,919.95
Financial Liabilities:			
Payables	3.01	-	3.01
Deposits	-	17.89	17.89
Subordinated Liabilities	-	249.21	249.21
Non-financial Liabilities:			
Other Non-financial Liabilities	2.63	0.67	3.30
Total Liabilities	5.64	267.77	273.41
Net Assets [Total Assets - Total Liabilities]	90.50	2,556.04	2,646.54

Notes to Financial Statements for the year ended 31 March 2022 (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 2021		
	Within twelve months	After twelve months	Total
Financial Assets:			
Cash and Cash Equivalents	221.48	-	221.48
Receivables	-	-	-
Investments	-	2,281.73	2,281.73
Other Financial Assets	2.16	-	2.16
Non-financial Assets:			
Current Tax Assets (net)	28.33	-	28.33
Investment Property	-	39.40	39.40
Property, Plant and Equipment	-	0.06	0.06
Other Non-financial Assets	0.91	-	0.91
Total Assets	252.88	2,321.19	2,574.07
Financial Liabilities:			
Payables	6.84	-	6.84
Deposits	-	16.61	16.61
Subordinated Liabilities	-	239.64	239.64
Other Financial Liabilities	2.30	-	2.30
Non-financial Liabilities:			
Other Non-financial Liabilities	2.69	2.00	4.69
Total Liabilities	11.83	258.25	270.08
Net Assets [Total Assets - Total Liabilities]	241.05	2,062.94	2,303.99

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

28. Related Party Disclosures

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

A. Names of related parties and related party relationship:

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

Wholly owned Subsidiary Companies	Morton Foods Limited [Formerly known is Allahabad Canning Limited]	– Subsidiary
	Champaran Marketing Company Limited	– Subsidiary
	Hargaon Investment & Trading Company Limited	– Subsidiary
	OSM Investment & Trading Company Limited	– Subsidiary
	Hargaon Properties Limited	– Step down Subsidiary
Key management personnel	Ms. Shalini Nopany	– Chairperson / Non-Executive Director
	Mr. Arun Kumar Newar	– Independent / Non-Executive Director
	Mr. Chhedi Lal Agarwal	– Independent / Non-Executive Director
	Mr. Dinesh Kacholia	– Independent / Non-Executive Director
	Mr. Suresh Kumar Khandelia	– Independent / Non-Executive Director
	Mr. Chand Bihari Patodia	– Managing Director
	Mr. Deepak Kumar Sharma	– Chief Financial Officer
	Ms. Mayuri Raja	– Company Secretary

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

(a) Director's sitting fees

(₹ in lakhs)

	Year ended 31 March	Director's sitting fees	Amount owed to related parties
Ms. Shalini Nopany	2022	0.15	-
	2021	0.20	-
Mr. Arun Kumar Newar	2022	0.48	-
	2021	0.45	-
Mr. Chhedi Lal Agarwal	2022	0.48	-
	2021	0.45	-
Mr. Dinesh Kacholia	2022	0.37	-
	2021	0.23	-
Mr. Suresh Kumar Khandelia	2022	0.15	-
	2021	0.10	-

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

(b) Investments in Equity Shares / Dividend Income thereon

(₹ in lakhs)

	Year ended 31 March	Investments made in equity shares	Investments in equity shares at the end of year	Dividend Income	Amount owed by related parties
Morton Foods Limited [Formerly known is Allahabad Canning Limited]	2022	348.29	1,446.75	-	-
	2021	-	1,098.46	-	-
Champaran Marketing Company Limited	2022	-	192.96	10.87	-
	2021	-	192.96	54.36	-
Hargaon Investment & Trading Company Limited	2022	-	609.14	45.69	-
	2021	-	609.14	182.75	-
OSM Investment & Trading Company Limited	2022	-	261.06	17.40	-
	2021	-	261.06	52.21	-

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

D. Terms and conditions of transactions with related parties

- (i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- (ii) Neither amount is outstanding nor receivable. Neither guarantees have been given nor received.
- (iii) For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- (iv) The sitting fees of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

29. 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 2021	Recognised in profit or loss	Recognised in OCI	As at 31 March 2022
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	247.47	(47.34)	-	200.13
Investments - Quoted Equity Shares	3.51	-	(3.51)	-
	250.98	(47.34)	(3.51)	200.13
Less : Deferred tax assets not recognised	236.98	(47.34)	(21.03)	168.61
	14.00	-	17.52	31.52
Deferred tax liabilities				
Investments - Unquoted Equity Shares	14.00	-	6.31	20.31
Investments - Quoted Equity Shares	-	-	11.21	11.21
	14.00	-	17.52	31.52
Net deferred tax assets	-	-	-	-

(₹ in lakhs)

Particulars	As at 1 April 2020	Recognised in profit or loss	Recognised in OCI	As at 31 March 2021
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	296.65	(49.18)	-	247.47
Investments - Quoted Equity Shares	5.54	-	(2.03)	3.51
	302.19	(49.18)	(2.03)	250.98
Less : Deferred tax assets not recognised	292.23	(41.92)	(13.33)	236.98
	9.96	(7.26)	11.30	14.00
Deferred tax liabilities				
Investments - Unquoted Equity Shares	2.70	-	11.30	14.00
Investment Property	7.24	(7.24)	-	-
Property, plant and equipment	0.02	(0.02)	-	-
	9.96	(7.26)	11.30	14.00
Net deferred tax assets	-	-	-	-

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

30. 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 2022					
Financial assets					
Investment in equity shares (Quoted)	-	184.07	-	184.07	184.07
Investment in equity shares (Unquoted)	-	92.52	-	92.52	92.52
Cash and cash equivalents	-	-	40.62	40.62	40.62
Receivables	-	-	4.05	4.05	4.05
Investment in Subsidiaries	-	-	2,509.91	2,509.91	2,509.91
Other financial assets	-	-	0.77	0.77	0.77
	-	276.59	2,555.35	2,831.94	2,831.94
As at 31 March 2022					
Financial liabilities					
Payables	-	-	3.01	3.01	3.01
Deposits	-	-	17.89	17.89	17.89
Subordinated liabilities	-	-	249.21	249.21	249.21
	-	-	270.11	270.11	270.11
As at 31 March 2021					
Financial assets					
Investment in equity shares (Quoted)	-	55.37	-	55.37	55.37
Investment in equity shares (Unquoted)	-	64.74	-	64.74	64.74
Cash and cash equivalents	-	-	221.48	221.48	221.48
Investment in Subsidiaries	-	-	2,161.62	2,161.62	2,161.62
Other financial assets	-	-	2.16	2.16	2.16
	-	120.11	2,385.26	2,505.37	2,505.37
Financial liabilities					
Payables	-	-	6.84	6.84	6.84
Deposits	-	-	16.61	16.61	16.61
Subordinated liabilities	-	-	239.64	239.64	239.64
Other financial liabilities	-	-	2.30	2.30	2.30
	-	-	265.39	265.39	265.39

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

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

B. Measurement of fair values

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

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

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

(₹ in lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Total
As at 31 March 2022					
Investment in equity shares (Quoted)	6	184.07	-	-	184.07
Investment in equity shares (Unquoted)	6	-	-	92.52	92.52
As at 31 March 2021					
Investment in equity shares (Quoted)	6	55.37	-	-	55.37
Investment in equity shares (Unquoted)	6	-	-	64.74	64.74

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.

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

(i) Credit risk

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

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of receivable on case to case basis and has accordingly created loss allowance on receivables.

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Company evaluates the concentration of risk with respect to receivables as low, as the Company's income are mostly on cash.

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

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Corporate bodies in relation to rental income	4.05	-

Receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for receivables.

The Company's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Notes to Financial Statements for the year ended 31 March 2022 (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)

	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
As at 31 March 2022						
Payables	3.01	3.01	3.01	-	-	-
Deposits*	17.89	20.00	-	20.00	-	-
Subordinated Liabilities*	249.21	262.66	-	262.66	-	-
	270.11	285.67	3.01	282.66	-	-
As at 31 March 2021						
Payables	6.84	6.84	6.84	-	-	-
Deposits*	16.61	20.00	-	-	20.00	-
Subordinated Liabilities*	239.64	262.66	-	-	262.66	-
Other financial liabilities	2.30	2.30	2.30	-	-	-
	265.39	291.80	9.14	-	282.66	-

* including estimated interest / 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 for the year ended 31 March 2022 (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 2022	As at 31 March 2021
Fixed rate instruments		
Financial assets	25.00	200.00
Financial liabilities	249.21	239.64
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 before tax		Equity, net of tax	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
BSE - increase by 10%	18.41	5.54	16.30	4.91
BSE - decrease by 10%	(18.41)	(5.54)	(16.30)	(4.91)

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.

31. Capital management

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Contd.)

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

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative # of promoter * / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
As on 31st March, 2021 and As on 31st March, 2022 both						
Investment Property	Freehold Land	9.89	The erstwhile company	No	1 April 2015	Mutation in the name of the Company is pending.

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

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

33. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	Change (%)
Capital to risk-weighted assets ratio (CRAR)	Total Capital Fund	Total Risk Weighted Assets	1.05	1.66	(36.75%)
					[Explanation in Note below]
Tier I CRAR	Capital Fund - Tier I	Total Risk Weighted Assets	0.30	0.83	(63.86%)
					[Explanation in Note below]
Tier II CRAR	Capital Fund - Tier II	Total Risk Weighted Assets	0.75	0.82	(8.54%)

Note: Change in the above-mentioned ratios is more than 25% as compared to the preceding year due to investment made in a subsidiary.

34. The previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2022

Chand Bihari Patodia

Managing Director

DIN: 01389238

Mayuri Raja

Company Secretary

Shalini Nopany

Director

DIN: 00077299

Deepak Kumar Sharma

Chief Financial Officer

Independent Auditors' Report

To the Members of

PALASH SECURITIES LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of M/s. **PALASH SECURITIES LIMITED** (hereinafter referred to as "the Company") and its subsidiaries (the Company and its Subsidiaries together referred to as the "the Group") which comprise the consolidated Balance Sheet as at March 31, 2022, 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 ("the Consolidated Financial Statements").

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statements of the subsidiary companies *except for the possible effects of the matter described in the "Basis for Qualified Opinion" section* of our report, aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended ("IND AS") and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2022 and their consolidated Loss their consolidated total comprehensive income, their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

As indicated in Note No. 23 to the accompanied consolidated financial statement where one of the subsidiary company M/s. Morton Foods Limited (MFL) (Formerly known as Allahabad Canning Ltd.), not audited by us, the auditor of subsidiary MFL has reported that the company has recognised Deferred Tax Asset (net) of Rs. 450.53 Lakhs for the year ended in March 31, 2022, based on the future profitability projections made by the Management. In their opinion, in the absence of convincing evidence, sufficient taxable profit will be available against which the unused tax losses can be utilised by the entity as required in terms of Indian Accounting Standard 12, had the above impact been considered, loss for the year ended would have been Rs.1,706.65 lakhs as against the reported loss of Rs.1,256.12 lakhs and other equity (excluding revaluation reserve) as at the Balance Sheet date would have been Rs. (1,652.78 lakhs) as against the reported figure of Rs.(1,202.25 lakhs). This matter was also qualified in our audit report on the accompanied consolidated financial statement.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company and subsidiaries in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Consolidated Ind AS Financial Statements.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 41 to the accompanied consolidated financial statements where one of the subsidiary company, M/s Morton Foods Limited (MFL) (formerly known as Allahabad Canning Limited) indicates the fact that the company has incurred a net loss of Rs. 1256.12 Lakhs during the year ended 31st March 2022 and as of that date the net worth of the Company is substantially eroded and its current liabilities exceeded its current assets. The same has not been audited by us. This condition indicate the existence of uncertainty about the company's ability to continue as a going concern. However, the financial information of the subsidiary MFL has been prepared on a going concern basis based on the reason stated in the aforesaid note.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in

forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Information other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of Consolidated Ind AS financial statements, our responsibility is to read the other information compare with the financial statements of the subsidiary companies, audited by the other auditors to the extent it relates to these entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their financial statements audited by other auditors

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

Responsibilities of the Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (IND AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Company and of its subsidiary companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the company and of its subsidiary companies are responsible for overseeing the financial reporting process of group.

Auditor's Responsibilities for the audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company and its subsidiary companies to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of 4 subsidiary companies (Except Champaran Marketing Company Limited which has been audited by us) included in the Group whose financial statements reflect total assets of 52,766.38 Lakhs as at March 31, 2022, total revenue of 5,392.96 Lakhs total net profit after tax of (1,028.73) Lakhs, total comprehensive income of 22,418.40 Lakhs and net cash inflows/(outflows) amounting to (14.61) 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these aforesaid subsidiary companies and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies, is based solely on the report of the other auditors.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of audit report of the other auditors and on separate financial statements of the subsidiary companies as were audited by other auditors, as noted in the 'Other Matter' paragraph, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
- b) *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above*, in our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance Sheet, the consolidated statement of profit and loss (including other comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above*, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on the auditors' reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of such subsidiaries, as noted in the 'Other matter' paragraph:
 - i The Consolidated Financial Statements disclose the impact of pending litigations as at 31st March 2022 on the consolidated financial position of the company and subsidiaries company. (Refer Note 40 to the consolidated financial statement).
 - ii The company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
 - iv (a) The respective Management of the Company and its subsidiary companies incorporated in India, whose financial statements have been audited under the act, have represented to us and to the other auditors of such subsidiaries, that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any

other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The respective Managements of the Company and its subsidiary companies which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of its knowledge and belief, other than as disclosed in financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - v The Company has neither declared nor paid dividend during the previous year. The Board of Directors of the Company have also not proposed dividend for the current year.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirement of the Guidance Note on CARO:

Sl. No.	Name of the Entities	CIN	Holding Company/ subsidiary/associate/joint venture	Clause No. of the CARO Report
1	Morton Foods Limited (Formerly known as Allahabad Canning Limited)	U15122UP2015PLC069645	Subsidiary Company	Clause (ii)(b) Clause(xvii) Clause(xix)

For **AGRAWAL SUBODH & CO**

Chartered Accountants

Firm Reg No: 319260E

Chetan Kumar Nathani

Partner

Membership No. 310904

UDIN: 22310904AIWITX2208

Place: Kolkata

Date: 12th May, 2022

Annexure – A

to the Independent Auditors' Report on the Consolidated Ind AS Financial Statements of Palash Securities Limited as on 31st March 2022

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the Consolidated Ind AS financial statements as on 31st March, 2022)

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

We have audited the internal financial controls with reference to the Consolidated Ind AS Financial Statement over financial reporting of Palash Securities Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective management of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated Ind AS financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the Consolidated Ind AS Financial Statements of the Company and its Subsidiary Companies, which are companies incorporated in India, we conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its subsidiary's companies the internal financial controls with reference to the Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies which is company incorporated in India, is based solely on the corresponding reports of the auditor of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For **AGRAWAL SUBODH & CO**

Chartered Accountants

Firm Reg No: 319260E

Chetan Kumar Nathani

Partner

Membership No. 310904

UDIN: 22310904AIWITX2208

Place: Kolkata

Date: 12th May, 2022

Consolidated Balance Sheet as at 31 March 2022

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
1. Financial Assets			
(a) Cash and Cash Equivalents	4	510.93	666.22
(b) Bank Balances other than (a) above	5	1.17	2.07
(c) Receivables			
(I) Trade Receivables	6	687.35	753.96
(II) Other Receivables	6	4.05	-
(d) Loans	7	-	800.00
(e) Investments	8	52,133.96	22,205.26
(f) Other Financial Assets	9	21.42	36.95
Total Financial Assets		53,358.88	24,464.46
2. Non-financial Assets			
(a) Inventories	10	1,572.38	1,565.28
(b) Current Tax Assets (net)	11	106.20	41.15
(c) Investment Property	12	37.26	39.40
(d) Property, Plant and Equipment	13	4,685.23	4,661.09
(e) Capital Work-in-Progress	14	-	67.33
(f) Intangible Assets	15	61.90	-
(g) Other Non-financial Assets	16	382.98	598.27
Total Non-financial Assets		6,845.95	6,972.52
TOTAL ASSETS		60,204.83	31,436.98
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial Liabilities			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	17.16	80.12
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	1,024.70	830.92
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	-	-
(b) Borrowings (Other than Debt Securities)	18	2,062.96	2,071.40
(c) Deposits	19	17.89	16.61
(d) Subordinated Liabilities	20	249.21	239.64
(e) Other Financial Liabilities	21	180.52	111.17
Total Financial Liabilities		3,552.44	3,349.86

Consolidated Balance Sheet as at 31 March 2022 Continued)

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
2. Non-financial Liabilities			
(a) Provisions	22	125.43	119.15
(b) Deferred Tax Liabilities (net)	23	1,581.74	-
(c) Other Non-financial Liabilities	24	101.22	175.03
Total Non-financial Liabilities		1,808.39	294.18
Total Liabilities		5,360.83	3,644.04
EQUITY			
(a) Equity Share Capital	25	1,000.31	1,000.31
(b) Other Equity	26	53,843.69	26,792.63
Total Equity		54,844.00	27,792.94
TOTAL LIABILITIES AND EQUITY		60,204.83	31,436.98
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

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2022

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 2022

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
I. Revenue from Operations			
(i) Interest Income	27	65.62	96.29
(ii) Dividend Income		253.72	240.42
(iii) Sale of Products	28	5,079.44	5,519.24
Total Revenue from Operations		5,398.78	5,855.95
II. Other Income			
(i) Rental Income		161.69	35.02
(ii) Other Income	29	58.40	14.09
Total Other Income		220.09	49.11
III. Total Income (I + II)		5,618.87	5,905.06
IV. Expenses			
(i) Finance Costs	30	234.92	143.40
(ii) Fees and Commission Expense	31	15.13	7.93
(iii) Cost of Materials Consumed	32	1,153.10	1,006.52
(iv) Purchases of Stock-in-trade		1,713.58	2,085.57
(v) Changes in Inventories of Finished goods, Stock-in-trade and Work-in-progress	33	130.58	418.26
(vi) Employee Benefits Expenses	34	1,586.54	1,415.21
(vii) Depreciation and Amortisation	35	76.96	35.27
(viii) Other Expenses	36	2,003.79	2,041.18
Total Expenses		6,914.60	7,153.34
V. Profit / (Loss) before Tax (III + IV)		(1,295.73)	(1,248.28)
VI. Tax expense	37		
Current tax		17.59	34.65
Provision for tax related to earlier years		(4.82)	(0.02)
Deferred tax		(453.86)	-
Total Tax expense		(441.09)	34.63
VII. Profit / (Loss) for the year (V - VI)		(854.64)	(1,282.91)

Consolidated Statement of Profit and Loss for the year ended 31 March 2022 Continued)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit liability / (asset)		12.82	2.88
(b) Revaluation Surplus - net change in fair value of Land		-	4,030.40
(c) Equity investments through other comprehensive income - net change in fair value		29,928.48	8,838.60
(d) Income tax relating to items that will not be reclassified to profit or loss		(2,035.60)	-
Other comprehensive income for the year, net of income tax		27,905.70	12,871.88
IX. Total comprehensive income for the year (VII + VIII)		27,051.06	11,588.97
X. Earnings per equity share [Nominal value per equity share ₹ 10 each]	38		
(a) Basic (₹)		(8.54)	(12.83)
(b) Diluted (₹)		(8.54)	(12.83)
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

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2022

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 2022

A. Equity Share Capital

	Notes	As at 31 March 2022		As at 31 March 2021	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	25	10,003,102	1,000.31	10,003,102	1,000.31
Changes in Equity Share Capital due to prior period errors		-	-	-	-
Restated balance at the beginning of the year		10,003,102	1,000.31	10,003,102	1,000.31
Change in equity share capital during of the year		-	-	-	-
Balances at the end of the year	25	10,003,102	1,000.31	10,003,102	1,000.31

B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus					Items of OCI		Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Reserve Fund	Retained Earnings	Revaluation Surplus - Land	Equity instruments through OCI	
Balance as at 1 April 2020	1,645.66	45.00	324.50	916.88	2,059.61	-	10,212.01	15,203.66
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the year	1,645.66	45.00	324.50	916.88	2,059.61	-	10,212.01	15,203.66
Total comprehensive income for the year								
- Profit / (Loss)	-	-	-	-	(1,282.91)	-	-	(1,282.91)
- Remeasurement of defined benefit liability / (asset)	-	-	-	-	2.88	-	-	2.88
- Revaluation Surplus - net change in fair value of Land	-	-	-	-	-	4,030.40	-	4,030.40
- Net change in fair value of Equity investments	-	-	-	-	-	-	8,838.60	8,838.60
Total comprehensive income	-	-	-	-	(1,280.03)	4,030.40	8,838.60	11,588.97
Transfer to Reserve Fund from Retained Earnings	-	-	-	67.41	(67.41)	-	-	-
Balance as at 31 March 2021	1,645.66	45.00	324.50	984.29	712.17	4,030.40	19,050.61	26,792.63
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the year	1,645.66	45.00	324.50	984.29	712.17	4,030.40	19,050.61	26,792.63
Total comprehensive income for the year								
- Profit / (Loss)	-	-	-	-	(854.64)	-	-	(854.64)
- Remeasurement of defined benefit liability / (asset)	-	-	-	-	9.49	-	-	9.49
- Net change in fair value of Equity investments	-	-	-	-	-	-	27,896.21	27,896.21
Total comprehensive income	-	-	-	-	(845.15)	-	27,896.21	27,051.06
Transfer to Reserve Fund from Retained Earnings	-	-	-	57.46	(57.46)	-	-	-
Balance as at 31 March 2022	1,645.66	45.00	324.50	1,041.75	(190.44)	4,030.40	46,946.82	53,843.69

Consolidated Statement of Changes in Equity for the year ended 31 March 2022 (continued)

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

(a) Capital Reserve

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

Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and equity of each subsidiary and any difference between them is treated as Goodwill / Capital Reserve as the case may be.

(b) Capital Redemption Reserve

The Company and its subsidiaries had created "Capital Redemption Reserve" on redemption of preference shares in accordance with the Companies Act. The reserve may be applied in accordance with the provision of Section 69 of the Companies Act, 2013.

(c) General Reserve

The Company and its subsidiaries had created "General Reserve" on declaration of dividend in accordance with the Companies (Transfer of Profit to Reserve) Rules, 1975 read with the relevant provisions of the Companies Act, 1956. After enactment of the Companies Act, 2013, it is not mandatory on declaration of dividend. It is a free reserve.

(d) Reserve Fund

Some of its subsidiaries (NBFC's) had created "Reserve Fund" in accordance with provisions of Section 45-IC of the Reserve Bank of India Act, 1934.

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

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2022

Chand Bihari Patodia

Managing Director

DIN: 01389238

Mayuri Raja

Company Secretary

Shalini Nopany

Director

DIN: 00077299

Deepak Kumar Sharma

Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31 March 2022

(₹ in Lakhs)

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(A)	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit / (Loss) before tax	(1,295.73)	(1,248.28)
	Adjustments for:		
	Interest Income on Security Deposits	(1.33)	(3.82)
	Dividend Income on Preference Shares	-	(13.05)
	Unspent liabilities, Provision no longer required and Unclaimed balances written back	(56.02)	(13.23)
	Gain on sales / discard of Property, Plant and Equipment (net)	(1.75)	(0.57)
	Finance Costs	234.92	143.40
	Depreciation and Amortisation	76.96	35.27
	Loss on Redemption of Preference Shares	-	3.87
	Provision for Warranties and Claims	33.25	15.50
	Provision for bad and doubtful debts and advances	-	63.00
		(1,009.70)	(1,017.91)
	Working capital adjustments:		
	Decrease / (Increase) in Receivables	62.56	(67.68)
	Decrease in Loans	800.00	100.00
	Decrease in Other Financial Assets	16.43	11.70
	(Increase) / Decrease in Inventories	(7.10)	489.03
	Decrease / (Increase) in Other Non-financial Assets	208.79	(288.78)
	Increase / (Decrease) in Payables	186.84	(54.86)
	Increase / (Decrease) in Financial Liabilities	33.89	(6.80)
	(Decrease) in Provisions	(14.15)	(14.36)
	(Decrease) / Increase in Other Non-financial Liabilities	(72.48)	79.14
	Cash Generated from / (Used in) Operations	205.08	(770.52)
	Income tax paid (net of refund received)	(77.82)	(66.29)
	Net Cash generated from / (used in) Operating Activities	127.26	(836.81)
(B)	CASH FLOW FROM INVESTING ACTIVITIES:		
	Investment made	(0.22)	-
	Proceeds from sale of Property, Plant and Equipment	-	0.67
	Acquisition of Property, Plant and Equipment / Intangible Assets	(33.14)	(363.15)
	Net Cash used in Investing Activities	(33.36)	(362.48)
(C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	(Repayment of) / Proceeds from Current Borrowings (net)	(8.44)	1,342.95
	Repayment of Deposits	-	(50.00)
	Repayment of Lease liabilities	(17.12)	(12.82)
	Interest on Lease liabilities paid	(3.73)	(2.42)
	Other Interest paid	(219.90)	(128.32)
	Net Cash (used in) / generated from Financing Activities	(249.19)	1,149.39
	Net Changes in Cash & Cash Equivalents (A + B + C)	(155.29)	(49.90)
	Cash & Cash Equivalents at the beginning of the year	666.22	716.12
	Cash & Cash Equivalents at the end of the year	510.93	666.22

Consolidated Cash Flow Statement for the year ended 31 March 2022 (continued)

Change in Liability arising from financing activities

(₹ in Lakhs)

	As on 31 March 2021	Cash Flow	Change in Fair Value	As on 31 March 2022
Borrowings (other than Debt Securities) [Note 18]	2,071.40	(8.44)	-	2,062.96
Deposits [Note 19]	16.61	-	1.28	17.89
Subordinated Liabilities [Note 20]	239.64	-	9.57	249.21
Lease Liabilities [Note 21]	17.45	(20.85)	*58.18	54.78

* includes ₹ 64.90 lakhs addition and ₹ 8.70 lakhs derecognised on cancellation.

(₹ in Lakhs)

	As on 1 April 2020	Cash Flow	Change in Fair Value	As on 31 March 2021
Borrowings (other than Debt Securities) [Note 18]	728.45	1,342.95	-	2,071.40
Deposits [Note 19]	67.14	(50.00)	(0.53)	16.61
Subordinated Liabilities [Note 20]	230.44	-	9.20	239.64
Lease Liabilities [Note 21]	30.27	(15.24)	2.42	17.45

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

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2022

Chand Bihari Patodia

Managing Director

DIN: 01389238

Shalini Nopany

Director

DIN: 00077299

Mayuri Raja

Company Secretary

Deepak Kumar Sharma

Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended 31 March 2022

1. Reporting entity

Palash Securities Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Post Office Hargaon, District Sitapur, Uttar Pradesh - 261121. The Company together with its wholly owned subsidiaries (collectively, the Group), is primarily engaged in investing and dealing etc. in securities mainly of group companies and immovable properties except one subsidiary, which is engaged in food processing business. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 12 May 2022.

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 2022. Significant subsidiaries of the Company are:

Name	Country of incorporation	% ultimate equity interest	
		31 March 2022	31 March 2021
Morton Foods Limited	India	100	100
[Formerly known as Allahabad Canning Limited]			
Champaran Marketing Company Limited	India	100	100
Hargaon Investment & Trading Company Limited	India	100	100
OSM Investment & Trading Company Limited	India	100	100
Hargaon Properties Limited	India	100	100

Consolidation procedure:

- Combine on line-by-line basis like items of assets, liabilities, income, expenses and cash flows of the Company with those of its subsidiaries.
- 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.
- 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.

The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are prepared, to the extent possible, in the same manner as the Company's standalone financial statements. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

2.4 Presentation of financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) is presented in Note 44.

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

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

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

Note 8 - Determining the fair values of investments.

Note 42 - Determination of ROU assets and liabilities; incremental borrowing rate and lease term.

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, property, plant and equipment and intangible assets;

Note 22 - Measurement of defined benefit obligations: key actuarial assumptions;

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

- Note 23 -** 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 40 -** Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 46 -** Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

2.7 Measurement of fair values

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

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

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

- Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2** inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3** inputs are unobservable inputs for the asset or liability.

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

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

3. Significant accounting policies

3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction.

Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

3.2 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.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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

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

The details of these conditions are outlined below.

Business model assessment

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

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

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

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).

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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

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

iii) *Financial assets at FVOCI*

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

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

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

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

iv) *Financial assets at FVTPL*

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

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

Financial assets: Assessment whether contractual cash flows are SPPI.

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

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

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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

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

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

vii) Financial liabilities at FVTPL

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

viii) Financial liabilities at amortised cost

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

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

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

Derecognition

i) Financial assets

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

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

ii) Financial liabilities

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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 Financial Statements for the year ended 31 March 2022 (Continued.)

(ii) Impairment of non-financial assets

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

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

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

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

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

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

3.3 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.

3.4 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on annual weighted average method / moving average method.

Work-in-progress, Finished goods and Traded goods are valued at lower of cost and net realisable value. Work-in-progress and Finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

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

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

3.5 Investment property

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

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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

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

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

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

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

3.6 Property, plant and equipment

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

Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes (after deducting discounts and rebates), any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

If Significant part of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

The estimated useful lives are, as follows:

- Buildings 30 years
- Furniture and Fixtures 10 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.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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.

3.7 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.

3.8 Intangible assets

Intangible assets including Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the Computer software is considered as 5 years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.9 Lease

As a lessee

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

(a) Right-of-use assets

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

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

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

The right-of-use assets are disclosed in Property, plant and equipment (see Note 13).

(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.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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

Lease liabilities are included in other financial liabilities (see Note 21).

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.

3.10 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees. The Group makes specified periodically contribution to Provident / Pension funds as the defined contribution plans.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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.

3.11 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.

3.12 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.

3.13 Recognition of income and expenses

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

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Dividend income

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

Trading income

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

Expenses

All expenses are accounted for on accrual basis.

3.14 Recognition of interest income

The effective interest rate method

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

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

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

Interest income

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

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

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

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

3.15 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.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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.

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

3.16 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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

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

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

3.18 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.

3.19 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.

3.20 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.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

3.21 Recent accounting pronouncement

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to the existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1 April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing / trial phase, clarification added that revenue generated out of the same shall not be recognised in the profit or loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture – This aligns the fair value measurement therein with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary / associate / JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary / associate / JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The Company has evaluated the effect of the above on the financial statements and the impact is not material.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

4. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- Current accounts	81.63	110.70
- Bank deposits having maturity of three months or less of original maturities	428.44	555.00
Cash on hand	0.86	0.52
	510.93	666.22

5. Other bank balances

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Bank deposits due to mature after three months of original maturities but not more than twelve months of the reporting date*	1.17	2.07
	1.17	2.07

* Pledged / lodged with various Government Authorities (Excise Department and Defence Authorities).

6. Receivables

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables		
- Considered good and secured	0.06	-
- Considered good and unsecured	687.29	753.96
- Credit Impaired	3.02	64.00
	690.37	817.96
Less: Loss allowance		
Trade Receivables - Credit impaired	3.02	64.00
	687.35	753.96
Other Receivables		
- Considered good and unsecured	4.05	-
- Have significant increase in credit risk	-	-
	4.05	-
	691.40	753.96

- (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) The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 46(C).
- (c) Trade receivable are hypothecated against borrowings [Note 18].

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

(d) Receivables aging schedule:

(₹ in lakhs)

Particulars	Outstanding for following periods from due dates of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31 March 2022						
Receivables considered good and secured						
- Undisputed	-	0.06	-	-	-	0.06
- Disputed	-	-	-	-	-	-
	-	0.06	-	-	-	0.06
Receivables considered good and unsecured						
- Undisputed	570.32	50.24	43.22	25.34	2.22	691.34
- Disputed	-	-	-	-	-	-
	570.32	50.24	43.22	25.34	2.22	691.34
Receivables - Credit impaired						
- Undisputed	-	-	-	1.12	1.90	3.02
- Disputed	-	-	-	-	-	-
	-	-	-	1.12	1.90	3.02
	570.32	50.30	43.22	26.46	4.12	694.42
As on 31 March 2021						
Receivables considered good and unsecured						
- Undisputed	438.47	279.34	33.93	2.22	-	753.96
- Disputed	-	-	-	-	-	-
	438.47	279.34	33.93	2.22	-	753.96
Receivables - Credit impaired						
- Undisputed	-	-	13.09	18.62	32.29	64.00
- Disputed	-	-	-	-	-	-
	-	-	13.09	18.62	32.29	64.00
	438.47	279.34	47.02	20.84	32.29	817.96

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

7. Loans

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost		
Inter-corporate deposits (unsecured)	-	800.00
	-	800.00

8. Investments

(₹ in lakhs)

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2022	As at 31 March 2021
Equity shares (fully paid) carried at FVOCI - Quoted				
Sutlej Textiles & Industries Ltd.	26,600,260	1.00	19,045.79	10,440.60
Avadh Sugar & Energy Ltd.	859,662	10.00	6,248.88	1,593.81
SIL Investments Ltd.	1,758,125	10.00	5,835.22	3,420.43
Magadh Sugar & Energy Ltd.	1,278,075	10.00	4,024.66	1,304.28
Chambal Fertilisers & Chemicals Ltd.	439,134	10.00	1,853.58	1,005.84
Ganges Securities Ltd.	1,014,205	10.00	1,349.91	598.38
New India Retailing & Investment Ltd.	266,874	10.00	80.06	80.06
			38,438.10	18,443.40
Equity shares (fully paid) carried at FVOCI - Unquoted				
SCM Investment & Trading Company Ltd.	3,750,000	10.00	8,302.50	1,605.75
Manbhawani Investment Ltd.	67,500	10.00	2,846.35	858.25
Manavta Holdings Ltd.	72,000	10.00	1,430.68	463.54
Shree Vihar Properties Ltd.	747,692	10.00	922.43	672.92
Birla Building Ltd.	1,920	100.00	43.16	14.25
Moon Corporation Ltd. - 'A' Class	745	100.00	36.74	38.27
Moon Corporation Ltd. - 'B' Class	2,502	5.00	6.17	6.43
The Oudh Trading Company Pvt. Ltd.	25	100.00	6.45	5.80
Modern Diagen Services Ltd.	23,752	10.00	2.77	4.14
India Educational & Research Institution Pvt. Ltd.	24,500	10.00	2.38	2.39
Pavapuri Trading & Investment Co. Ltd.	3,800	10.00	0.22	-
Bihar State Financial Corporation Ltd.	70	100.00	-	-
Taparia Ltd.	3,500	10.00	-	-
			13,599.85	3,671.74
Equity shares (partly paid) carried at FVOCI - Unquoted				
Modern Diagen Services Ltd. (partly paid by ₹ 2 each)	1,545,044	10.00	56.86	53.92
			56.86	53.92

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

8. Investments (Contd.)

(₹ in lakhs)

Particulars	No. of Shares	Face Value of Share (₹)	As at 31 March 2022	As at 31 March 2021
Preference shares (fully paid) carried at FVOCI - Unquoted				
8.5% non-convertible cumulative redeemable preference shares of Ganges Securities Ltd.	34,800	100.00	39.14	36.19
			39.14	36.19
Government securities (fully paid) carried at amortised cost - Unquoted				
6 Years National Savings Certificates			0.01	0.01
			0.01	0.01
			52,133.96	22,205.26
Investments outside India			-	-
Investments in India			52,133.96	22,205.26
			52,133.96	22,205.26

- (a) The Group received dividends of ₹ **253.72 lakhs** (31 March 2021: ₹ 240.42 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 2021-22 and there were no transfer of any cumulative gain or loss within equity relating to these investments.
- (d) 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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

9. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Bank deposits due to mature after twelve months of the reporting date *	0.80	0.80
<i>At amortised cost</i>		
Security and Other Deposits	19.31	28.37
Interest accrued on inter-corporate deposits	-	5.34
Interest accrued on bank deposits	1.31	2.44
	21.42	36.95

* Pledged / lodged with various Government Authorities.

10. Inventories

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(Value at lower of cost and net realisable value)		
Raw materials	46.28	27.43
Work-in-progress	110.14	95.13
Finished goods	568.48	624.95
Stock-in-trade	502.95	592.07
Stores, chemicals and spare parts	344.53	225.70
	1,572.38	1,565.28

- a) ₹ 89.77 lakhs (31 March 2021: ₹ 319.55 lakhs) are recognised as expenses, being write-down of inventories to net realisable value, included in Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress [Note 33].
- b) Inventories are hypothecated against borrowings [Note 18].

11. Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax and tax deducted / collected at sources	187.35	126.37
Less: Provision for taxation	81.15	85.22
	106.20	41.15

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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 2020	9.89	36.25	46.14
Additions during the year	-	-	-
Disposals / discard during the year	-	-	-
Balance at 31 March 2021	9.89	36.25	46.14
Additions during the year	-	-	-
Disposals / discard during the year	-	-	-
Balance at 31 March 2022	9.89	36.25	46.14
Accumulated depreciation			
Balance at 1 April 2020	-	4.61	4.61
Depreciation for the year	-	2.13	2.13
Disposals / discard during the year	-	-	-
Balance at 31 March 2021	-	6.74	6.74
Depreciation for the year	-	2.14	2.14
Disposals / discard during the year	-	-	-
Balance at 31 March 2022	-	8.88	8.88
Carrying amount (net)			
At 31 March 2021	9.89	29.51	39.40
At 31 March 2022	9.89	27.37	37.26

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

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Freehold Land along with Building	1,181.90	575.55

Note:

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

The amounts recognised in profit or loss for:

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Rental income from investment property	161.69	35.02
(ii) Expenses (including tax, insurance, repairs and maintenance etc.) other than depreciation in relation to investment property that generated rental income during the year; and	8.06	2.73
(iii) Expenses (including tax, insurance, repairs and maintenance etc.) other than depreciation in relation to investment property that did not generate rental income during the year	-	6.33

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

13. Property, Plant and Equipment

(₹ in Lakhs)

	Freehold Land	Buildings	Plant and Equipment	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Right-of-use assets [Note 42]	Total
Reconciliation of carrying amount									
Cost or deemed cost									
(gross carrying amount)									
Balance at 1 April 2020	108.30	79.00	71.70	20.21	3.40	5.54	1.94	39.14	329.23
Additions during the year	4,030.40	118.82	246.97	10.18	0.37	-	1.01	-	4,407.75
Disposals / discard during the year	-	-	0.85	-	-	-	-	-	0.85
Balance at 31 March 2021	4,138.70	197.82	317.82	30.39	3.77	5.54	2.95	39.14	4,736.13
Additions during the year	-	6.50	19.65	1.97	-	-	0.52	64.90	93.54
Disposals / discard during the year	-	-	-	-	-	-	-	39.14	39.14
Balance at 31 March 2022	4,138.70	204.32	337.47	32.36	3.77	5.54	3.47	64.90	4,790.53
Accumulated depreciation									
Balance at 1 April 2020	-	3.58	22.27	3.90	0.43	1.34	0.26	10.87	42.65
Depreciation for the year	-	1.69	9.31	7.22	0.70	0.79	0.38	13.05	33.14
Disposals / discard during the year	-	-	0.75	-	-	-	-	-	0.75
Balance at 31 March 2021	-	5.27	30.83	11.12	1.13	2.13	0.64	23.92	75.04
Depreciation for the year	-	6.25	24.45	9.11	0.36	0.81	0.58	19.14	60.70
Disposals / discard during the year	-	-	-	-	-	-	-	30.44	30.44
Balance at 31 March 2022	-	11.52	55.28	20.23	1.49	2.94	1.22	12.62	105.30
Carrying amount (net)									
At 31 March 2021	4,138.70	192.55	286.99	19.27	2.64	3.41	2.31	15.22	4,661.09
At 31 March 2022	4,138.70	192.80	282.19	12.13	2.28	2.60	2.25	52.28	4,685.23

(a) Revaluation model has been adopted by a subsidiary for valuing its land and ` 4,030.40 lakhs represents net change in carrying amount due to revaluation based on valuation by a registered valuer as prescribed.

(b) Movable Property, Plant and Equipment of a subsidiary given as security for borrowings [Note 18].

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

14. Capital Work-in-Progress

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Reconciliation of carrying amount		
Balance at the beginning of the year	67.33	-
Additions	-	67.33
Transfer to Property, Plant and Equipment / Intangible Assets	67.33	-
Balance at the end of the year	-	67.33
Carrying amount	-	67.33

Capital Work-in-Progress aging schedule:

(₹ in lakhs)

Capital Work-in-Progress (CWIP)	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31 March 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-
As on 31 March 2021					
Projects in progress	43.93	23.40	-	-	67.33
Projects temporarily suspended	-	-	-	-	-
	43.93	23.40	-	-	67.33

15. Intangible Assets

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Computer Software:		
Reconciliation of carrying amount		
Gross carrying amount		
Balance at the beginning of the year	-	-
Additions during the year	76.03	-
Disposal / discard during the year	-	-
Balance at the end of the year	76.03	-
Accumulated depreciation		
Balance at the beginning of the year	-	-
Amortisation for the year	14.13	-
Disposal / discard during the year	-	-
Balance at the end of the year	14.13	-
Carrying amount (net)	61.90	-

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

16. Other Non-financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good)		
Capital Advances	-	6.50
Advances other than Capital Advances		
Advances to suppliers	222.58	457.37
Other advances		
- Balance with Government Authorities	139.01	129.46
- Prepaid Expenses	15.46	-
- Deposits against demand under appeal and / or under dispute	5.93	1.50
- Claims and refunds receivable	-	3.44
	382.98	598.27

17. Payables

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	17.16	80.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,024.70	830.92
	1,041.86	911.04
Other Payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	-	-
	1,041.86	911.04

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(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	17.16	80.12
Interest due on above	-	-
Total	17.16	80.12
(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.	-	-

(b) Payables aging schedule:

(₹ in lakhs)

Particulars	Unbilled	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31 March 2022						
- MSME	-	17.16	-	-	-	17.16
- Others	3.60	1,021.10	-	-	-	1,024.70
- Disputed dues - MSME	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-
	3.60	1,038.26	-	-	-	1,041.86
As on 31 March 2021						
- MSME	-	80.12	-	-	-	80.12
- Others	7.46	819.68	2.31	-	1.47	830.92
- Disputed dues - MSME	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-
	7.46	899.80	2.31	-	1.47	911.04

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

18. Borrowings (Other than Debts Securities)

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Cash credit from a bank (repayable on demand)	1,062.96	2,071.40
Unsecured		
Inter-corporate deposit from a body corporate	1,000.00	-
	2,062.96	2,071.40

Nature of Securities and Terms of repayment

(i) Cash credit from a bank

(a) Cash credit from a bank, carry interest rate of I-MCLR-6M + Spread of 2.10% p.a., is secured by hypothecation of entire current assets of a subsidiary, ranking pari passu amongst the various lenders and also by way of first charge created on the movable property, plant and equipment thereof, both present and future.

(b) Inter-corporate deposit carry interest range of 9% to 10% p.a. and repayable on demand.

(ii) The summary of reconciliation of quarterly statement filed to the bank and books of accounts is given below:

Quarter ended on	Particulars of security provided	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return / statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Reason
31 March 2022	Inventories	1,572.38	1,649.46		The quarterly statements submitted to Bank were prepared and filed before the completion of all financial statement closure activities including Ind AS related adjustments / reclassifications and regrouping as applicable, which led to these differences between the final books of accounts and quarterly statements submitted to bank based on provisional books of accounts.
	Trade Receivables	687.35	774.99		
	Total	2,259.73	2,424.45	164.72	
31 December 2021	Inventories	1,799.97	2,014.36		
	Trade Receivables	895.39	815.70		
	Total	2,695.36	2,830.06	134.70	
30 September 2021	Inventories	1,561.32	2,144.63		
	Trade Receivables	845.27	681.08		
	Total	2,406.59	2,825.71	419.12	
30 June 2021	Inventories	1,945.73	2,175.74		
	Trade Receivables	849.37	672.66		
	Total	2,795.10	2,848.40	53.30	

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Quarter ended on	Particulars of security provided	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return / statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Reason
31 March 2021	Inventories	1,565.28	2,016.26		
	Trade Receivables	753.96	817.97		
	Total	2,319.24	2,834.23	514.99	
31 December 2020	Inventories	2,109.61	1,682.09		
	Trade Receivables	745.47	607.93		
	Total	2,855.08	2,290.02	(565.06)	
30 September 2020	Inventories	2,243.11	1,796.19		
	Trade Receivables	856.53	677.75		
	Total	3,099.64	2,473.94	(625.70)	
30 June 2020	Inventories	2,346.61	2,056.95		
	Trade Receivables	625.83	509.17		
	Total	2,972.44	2,566.12	(406.32)	

19. Deposits

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost		
Security deposits taken against investment property	17.89	16.61
	17.89	16.61

20. Subordinated Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
13,00,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 10 each at amortised cost	249.21	239.64
	249.21	239.64

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.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

21. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade and other deposits	38.27	56.78
Lease liabilities [Note 42]	54.78	17.45
Interest accrued but not due	0.44	-
Payable to employees	87.03	34.63
Liabilities for Capital Goods	-	2.31
	180.52	111.17

22. Provisions

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Net defined benefit liability - Gratuity	40.66	53.18
Liability for compensated absences	36.40	35.38
	77.06	88.56
Other Provisions		
For standard assets	15.12	15.12
For warranties and claims	33.25	15.47
	48.37	30.59
	125.43	119.15

Defined benefits - Gratuity Plan

A subsidiary has a defined benefit gratuity plan. Every employee who has completed continuously at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972.

Net defined benefit liabilities

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligations	110.38	105.88
Fair value of plan assets	69.72	52.70
Net defined benefit liabilities	40.66	53.18

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

₹ 21.23 lakhs is expected to contribute to Gratuity Fund in the next year.

Inherent risk

The plan is defined benefit in nature which is sponsored by the subsidiary and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the subsidiary, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

Risk to the beneficiary

The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities
- Or a combination of these events

Parameter risk

Actuarial valuation is done on the basis of some assumptions like salary inflation, discount rate and withdrawal.

Assumptions - in case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities.

For example: the plan's liability is calculated with salary inflation assumption of 5% per annum. However, Company's actual practice is to provide increment of 10% per annum. This will result into underfunding.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability.

Further, actual withdrawals may be lower or higher than what was assumed in the valuation, may also impact the plan's liability. Risk of illiquid Assets

Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

Risk of Benefit Change

There may be a risk that the benefit promised is changed or is changeable within the terms of the contract. For example regulator may increase the benefits payable under defined benefit plans.

Asset liability mismatching risk (ALM)

ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

For example: The liability duration is 10 years. While assets are locked in 5-year g-sec securities. After 5 years, there is huge reinvestment risk to invest maturity proceeds of assets due to uncertainty about the market prevailing yields at that time.

The following tables analyse present value of defined benefit obligations, fair value of defined plan assets, actuarial gain / (loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information:

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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

(₹ in lakhs)

Particulars		As at 31 March 2022	As at 31 March 2021
(i)	Reconciliation of present value of defined benefit obligations		
(a)	Balance at the beginning of the year	105.88	153.22
(b)	Service cost	12.88	13.18
(c)	Interest cost	6.81	10.11
(d)	Benefits paid	(2.81)	(67.31)
(e)	Actuarial (gain) / loss on defined benefit obligations:		
	- due to change in financial assumptions	(4.49)	1.38
	- due to experience changes	(7.89)	(4.70)
	Balance at the end of the year	110.38	105.88
(ii)	Reconciliation of fair value of plan assets		
(a)	Balance at the beginning of the year	52.70	90.71
(b)	Actual return on plan assets	3.83	5.54
(c)	Contributions by the employer	16.00	23.76
(d)	Benefits paid	(2.81)	(67.31)
	Balance at the end of the year	69.72	52.70
(iii)	Actuarial gain / (loss) on plan assets		
(a)	Expected Interest Income	3.39	5.98
(b)	Actual return on plan assets	3.83	5.54
	Actuarial gain / (loss) on plan assets	0.44	(0.44)
(iv)	Expense recognised in Employee benefits expenses		
(a)	Service cost	12.88	13.18
(b)	Interest cost	6.81	10.11
(c)	Interest income	(3.39)	(5.98)
	Amount charged to Employee benefits expenses	16.30	17.31
(v)	Remeasurement recognised in Other Comprehensive Income		
(a)	Actuarial loss on defined benefit obligations	12.38	3.32
(b)	Actuarial loss on plan assets	0.44	(0.44)
	Amount recognised in Other Comprehensive Income	12.82	2.88
(vi)	Plan assets		
	Plan assets comprise of the following:		
(a)	Investments with LIC	100%	100%

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Particulars		As at 31 March 2022	As at 31 March 2021
(vii)	Actuarial assumptions		
	Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
	(a) Discount rate	6.98%	6.43%
	(b) Future salary growth	5.00%	5.00%
	(c) Attrition rates	Less than 40 Years - 4.2% 40 Years and above - 0%	

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

(viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ in lakhs)

Particulars		As at 31 March 2022		As at 31 March 2021	
		Increase	Decrease	Increase	Decrease
(a)	Discount rate (0.50% movement)	3.81	(4.07)	3.99	(4.26)
(b)	Future salary growth (1% movement)	(8.33)	7.41	(8.52)	7.56
(c)	Withdrawal assumption (4% movement)	(1.95)	1.15	(1.17)	0.48

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

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

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Within the next 12 months (next annual reporting period)	30.16	6.96
Between 1 and 2 years	0.80	1.14
Between 2 and 3 years	5.35	26.03
Between 3 and 4 years	4.98	5.18
Between 4 and 5 years	3.16	4.93
Beyond 5 years	159.12	148.78
	203.57	193.02

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Reconciliation of Other Provisions:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Other Provisions for		Other Provisions for	
	Standard assets	Warranties and claims	Standard assets	Warranties and claims
Balance at the beginning of the year	15.12	15.47	15.12	4.81
Provided during the year	-	33.25	-	15.50
Utilised / Written back during the year	-	15.47	-	4.84
Balance at the end of the year	15.12	33.25	15.12	15.47

- (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".

23. Deferred Tax Liabilities / (Assets) (net)

The Company 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 3.15).

The subsidiaries other than MFL has recognised deferred tax liabilities/ assets on change in fair value of investment not part of the profit or loss through OCI.

A subsidiary has recognised deferred tax liabilities / assets on carried forward business losses, unabsorbed depreciation and other timing differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred Tax assets of Rs. 450.33 lakhs has been recognised during the current year in view of a reasonable certainty.

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

(₹ in lakhs)

Particulars	As at 31 March 2021	Recognised in profit or loss	Recognised in OCL	As at 31 March 2022
Deferred tax liabilities				
Investments - Unquoted	261.07	-	2,240.69	2,501.76
Property, plant and equipment / Intangible assets	14.25	8.29	-	22.54
	275.32	8.29	2,240.69	2,524.30
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	780.95	425.75	-	1,206.70
Investments - Quoted	2,725.36	-	(2,287.39)	437.97
Provision for employee's benefits	22.11	1.25	(3.33)	20.03
Other provisions	24.46	(11.22)	-	13.24
Deduction of disallowances allowed on payment basis	9.65	(0.97)	-	8.68
	3,562.53	414.81	(2,290.72)	1,686.62
Less : Deferred tax assets not recognised	3,287.21	(47.34)	(2,495.81)	744.06
	275.32	462.15	205.09	942.56
Net deferred tax liabilities / (assets)	-	(453.86)	2,035.60	1,581.74

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

(₹ in lakhs)

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

24. Other Non-financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers	73.00	135.01
Statutory dues	26.22	36.69
Deferred income on security deposits	2.00	3.33
	101.22	175.03

25. Share Capital

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised:		
1,35,00,000 equity shares of ₹ 10 each	1,350.00	1,350.00
15,00,000 preference shares of ₹10 each	150.00	150.00
	1,500.00	1,500.00
Issued, subscribed and fully paid-up:	1,000.31	1,000.31
1,00,03,102 equity shares of ₹ 10 each	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 20]

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity shares				
At the beginning and at the end of the year	10,003,102	1,000.31	10,003,102	1,000.31

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

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

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	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				
Ganges Securities Ltd. *	1,283,234	12.8284	1,283,234	12.8284
SCM Investment & Trading Co. Ltd.	1,078,958	10.7862	1,078,958	10.7862
New India Retailing & Investment Ltd.	1,071,532	10.7120	1,071,532	10.7120
RTM Investment & Trading Co. Ltd.	904,951	9.0467	904,951	9.0467
Deepshikha Trading Co. Pvt. Ltd.	688,741	6.8853	688,741	6.8853
Sonali Commercial Ltd.	562,658	5.6248	512,658	5.1250
Ronson Traders Ltd.	538,463	5.3830	refer note given below	

Note: As on 31 March 2021, equity shares of the Company held by Ronson Traders Limited were not more than 5%.

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
NCCRPS of ₹ 10 each fully paid up held by				
Sutlej Textiles & Industries Limited	1,300,000	100.00	1,300,000	100.00

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

(d) Details of shares held by promoters:

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
Equity shares of ₹ 10 each fully paid up held by						
As on 31st March, 2022						
1	Ganges Securities Ltd.*	1,283,234	-	1,283,234	12.8284%	-
2	SCM Investment & Trading Co. Ltd.	1,078,958	-	1,078,958	10.7862%	-
3	New India Retailing & Investment Ltd.	1,071,532	-	1,071,532	10.7120%	-
4	RTM Investment & Trading Co. Ltd.	904,951	-	904,951	9.0467%	-
5	Deepshikha Trading Co. Pvt. Ltd.	688,741	-	688,741	6.8853%	-
6	Sonali Commercial Ltd.	512,658	50,000	562,658	5.6248%	0.4998%
7	Ronson Traders Ltd.	485,268	53,195	538,463	5.3830%	0.5318%
8	Sidh Enterprises Ltd.	306,658	-	306,658	3.0656%	-
9	Yashovardhan Investment & Trading Co. Ltd.	200,161	104,554	304,715	3.0462%	1.0452%
10	"Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]"	10	204,924	204,934	2.0487%	2.0486%
11	Uttam Commercial Ltd.	117,643	50,000	167,643	1.6759%	0.4998%
12	Mr. Chandra Shekhar Nopany	28,468	-	28,468	0.2846%	-
13	Rajpur Farms Ltd.	15,315	-	15,315	0.1531%	-
14	Narkatiaganj Farms Ltd.	9,756	-	9,756	0.0975%	-
15	Mrs. Nandini Nopany	4,167	258	4,425	0.0442%	0.0025%
16	The Oudh Trading Co. Pvt. Ltd.	477	-	477	0.0048%	-
17	"Mr. Chandra Shekhar Nopany [As Trustee of Shruti Family Trust]"	258	(258)	-	0.0000%	(0.0026%)
		6,708,255	462,673	7,170,928	71.6870%	4.6251%
As on 31st March, 2021						
1	Ganges Securities Ltd. *	1,283,234	-	1,283,234	12.8284%	-
2	SCM Investment & Trading Co. Ltd.	1,078,958	-	1,078,958	10.7862%	-
3	New India Retailing & Investment Ltd.	1,071,532	-	1,071,532	10.7120%	-
4	RTM Investment & Trading Co. Ltd.	904,951	-	904,951	9.0467%	-
5	Deepshikha Trading Co. Pvt. Ltd.	664,129	24,612	688,741	6.8853%	0.2460%
6	Sonali Commercial Ltd.	387,658	125,000	512,658	5.1250%	1.2496%
7	Ronson Traders Ltd.	460,268	25,000	485,268	4.8512%	0.2499%
8	Sidh Enterprises Ltd.	306,658	-	306,658	3.0656%	-
9	Yashovardhan Investment & Trading Co. Ltd.	200,161	-	200,161	2.0010%	-
10	Uttam Commercial Ltd.	117,643	-	117,643	1.1761%	-
11	Mr. Chandra Shekhar Nopany	28,468	-	28,468	0.2846%	-
12	Rajpur Farms Ltd.	15,315	-	15,315	0.1531%	-

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
13	Narkatiaganj Farms Ltd.	9,756	-	9,756	0.0975%	-
14	Mrs. Nandini Nopany	4,167	-	4,167	0.0417%	-
15	The Oudh Trading Co. Pvt. Ltd.	477	-	477	0.0048%	-
16	"Mr. Chandra Shekhar Nopany [As Trustee of Shruti Family Trust]"	258	-	258	0.0026%	-
17	"Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]"	10	-	10	0.0001%	-
		6,533,643	174,612	6,708,255	67.0619%	1.7455%

* Uttar Pradesh Trading Co. Ltd. has been amalgamated with Ganges Securities Ltd.

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
8.5% NCCRPS of ₹ 100 each fully paid up held by						
As on 31st March, 2022						
1	Sutlej Textiles & Industries Ltd.	1,300,000	-	1,300,000	100.0000%	-
		1,300,000	-	1,300,000	100.0000%	-
As on 31st March, 2021						
1	Sutlej Textiles & Industries Ltd.	1,300,000	-	1,300,000	100.0000%	-
		1,300,000	-	1,300,000	100.0000%	-

26. Other Equity

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Reserve		
Balance at the beginning and at the end of the year	1,645.66	1,645.66
Capital Redemption Reserve		
Balance at the beginning and at the end of the year	45.00	45.00
General Reserve		
Balance at the beginning and at the end of the year	324.50	324.50
Reserve Fund		
Balance at the beginning of the year	984.29	916.88
Add: Transfer from Retained Earnings	57.46	67.41
Balance at the end of the year	1,041.75	984.29
Retained Earnings		
Balance at the beginning of the year	712.17	2,059.61

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Particulars	As at 31 March 2022	As at 31 March 2021
Add / (Less) : Profit / (Loss) for the year	(854.64)	(1,282.91)
Add / (Less) : Remeasurement of defined benefit liability / (asset)	9.49	2.88
Less: Transfer to Reserve Fund	(57.46)	(67.41)
Balance at the end of the year	(190.44)	712.17
Revaluation Surplus - Land through OCI		
Balance at the beginning of the year	4,030.40	-
Net change in fair value during the year	-	4,030.40
Balance at the end of the year	4,030.40	4,030.40
Equity Instruments through OCI		
Balance at the beginning of the year	19,050.61	10,212.01
Net change in fair value during the year	27,896.21	8,838.60
Balance at the end of the year	46,946.82	19,050.61
	53,843.69	26,792.63

27. Interest Income

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On financial assets measured at amortised cost		
Interest on inter-corporate deposits	42.09	73.12
Interest on bank deposits	22.20	19.35
Interest on security deposits	1.33	3.82
	65.62	96.29

28. Sale of Products

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Finished goods*	3,448.33	3,084.72
Stock-in-trade*	2,177.03	2,741.49
	5,625.36	5,826.21
Less: Claims, Rebates, etc.	554.51	309.43
	5,070.85	5,516.78
Scrap sales	8.59	2.46
	5,079.44	5,519.24

*net of returns

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

29. Other Income

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on refund from income tax department	0.36	0.29
Unspent liabilities, Provision no longer required and Unclaimed balances written back	56.02	13.23
Gain on sale / discard of Property, plant and equipment (net)*	1.75	0.57
Miscellaneous income **	0.27	-
	58.40	14.09

* Including ₹ 1.75 lakhs related to ROU - Assets during the current year [Note 13].

** During the year ended 31 March 2021, amount being less than ₹ 500. has been shown as "-".

30. Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On financial liabilities measured at amortised cost:		
Interest on Borrowings (other than securities)	220.22	128.32
Interest on Deposits	1.28	3.46
Interest on Subordinated Liabilities	9.57	9.20
Interest on Lease Liabilities	3.73	2.42
Interest on income tax	0.12	-
	234.92	143.40

31. Fees and Commission Expense

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Listing and other regulatory fees	7.06	7.36
ROC fees	8.07	0.57
	15.13	7.93

32. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory of materials at the beginning of the year	27.43	87.18
Add: Purchases and procurement expenses	1,171.95	946.77
	1,199.38	1,033.95
Less: Inventory of materials at the end of the year	46.28	27.43
	1,153.10	1,006.52

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

33. Changes in Inventories of Finished goods, Stock-in-trade and Work-in-progress

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year		
Finished goods	568.48	624.95
Work-in-progress	110.14	95.13
Stock-in-trade	502.95	592.07
	1,181.57	1,312.15
Inventories at the beginning of the year		
Finished goods	624.95	1,031.15
Work-in-progress	95.13	89.34
Stock-in-trade	592.07	609.92
	1,312.15	1,730.41
	130.58	418.26

34. Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages, bonus etc.	1,418.75	1,267.49
Contribution to provident and other funds *	106.13	96.65
Expenses related to post-employment defined benefit plans [Note 22]	16.30	17.31
Staff welfare expenses	45.36	33.76
	1,586.54	1,415.21
The amount amount belongs to -		
- Related parties [Note 45]	38.85	33.62
- Others	1,547.69	1,381.59
	1,586.54	1,415.21

* are defined contribution plans.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

35. Depreciation and Amortisation

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on Investment property [Note 12]	2.14	2.13
Depreciation on Property, plant and equipment [Note 13]	60.70	33.14
Amortisation of Intangible Assets [Note 15]	14.12	-
	76.96	35.27

36. Other Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and spares	127.95	105.73
Packing materials consumed	893.56	844.94
Repairs and maintenance	38.39	44.06
Rent, tax and energy costs	111.11	106.84
Communication costs	8.88	18.12
Printing and stationery	6.92	7.09
Advertisement and publicity	29.41	0.92
Director's sitting fees	2.78	1.43
Payment to auditors		
As Auditors		
- Statutory audit	5.64	5.64
- Limited review of quarterly results	3.38	3.38
In other capacity		
- For certificates and other services	2.96	2.96
Reimbursement of expenses	0.76	0.26
Legal and professional charges	95.41	82.36
Service charges	12.92	12.92
Insurance	11.45	16.95
Freight and forwarding charges	314.63	327.20
Other selling expenses	40.36	182.87
Loss on redemption of preference shares	-	3.87
Provision for warranties and claims	33.25	15.50
Provision for bad and doubtful debts and advances	-	63.00
Bad debt, irrecoverable claims and advances written off (net)	60.98	-
Less: Adjusted against provisions	60.98	-
Miscellaneous expenses	264.03	195.14
	2,003.79	2,041.18

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

37. Tax expense

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	17.59	34.65
Provision for tax related to earlier years	(4.82)	(0.02)
Deferred tax		
Attributable to origination and reversal of temporary differences	(453.86)	-
	(441.09)	34.63
Reconciliation of tax expense		
Profit / (Loss) before tax	(1,295.73)	(1,248.28)
Tax using the Group's domestic tax applicable rates	(321.74)	(327.63)
Tax effect of:		
- Deferred tax expense (net of deferred tax credit) adjusted with deferred tax assets not recognised	(50.67)	387.86
- Interest expense on Preference shares classified as subordinated liability not deductible for tax purposes	2.41	2.32
- Amount related to earlier years	(4.82)	(53.72)
- Others including permanent differences	(66.27)	25.80
Total Tax expense	(441.09)	34.63

38. Earnings per equity share (EPS)

Basic and Diluted earnings per share

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Profit attributable to equity shareholders (₹ in lakhs)	(854.64)	(1,282.91)
(ii) Weighted average number of equity shares for the year		
At the beginning and at the end of the year	10,003,102	10,003,102
(iii) Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]		
Basic and Diluted (₹)	(8.54)	(12.83)
There is no dilutive potential equity share.		

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

39. Capital and Other Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) ₹ Nil (31 March 2021: ₹ 15.00 lakhs).

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

(₹ in lakhs)

Particulars		As at 31 March 2022	As at 31 March 2021
(a)	Demands / claim by various Government authorities and others not acknowledged as debts and contested by a subsidiary: *		
	(i) Sales tax	1.65	1.65
	(ii) Others	8.15	8.25
		9.80	9.90

* Notes:

- (i) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.
- (ii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Group does not expect any reimbursement in respect of the above contingent liabilities.

(₹ in lakhs)

Particulars		As at 31 March 2022	As at 31 March 2021
(b)	In case of a subsidiary, bank guarantees outstanding	155.00	251.19
(c)	Uncalled Capital on partly paid shares held as investment	123.60	123.60

- 41.** Morton Foods Limited (Formerly known as Allahabad Canning Limited), wholly owned subsidiary of the Company, has incurred a net losses during the year ended 31 March 2022 and as on 31 March 2022, its net worth has eroded. However, based on the positive outlook towards the growth and the ability of the said subsidiary to continue as a going concern in the foreseeable future. Its financial information has been consolidated in this consolidated financial statements for the year ended 31 March 2022 on a going concern basis.

42. Lease

As Lessee

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

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

The carrying amount of lease liabilities included in Note 21 and its movements during the year are as under:

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	17.45	30.27
Additions	64.90	-
Derecognition on cancellation	(8.70)	-
Finance cost accrued	3.73	2.42
Gain on cancellation of lease	(1.75)	-
Payment of lease liabilities	(20.85)	(15.24)
Balance at the end of the year	54.78	17.45
Non-current	30.34	14.91
Current	24.44	2.54
	54.78	17.45

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

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	24.44	16.31
One to two years	26.85	2.74
Two to five years	11.50	-
Total	62.79	19.05

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

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

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Depreciation on right-of-use assets [Note 13]	19.14	13.05
Gain on cancellation of lease [Note 29]	(1.75)	-
Interest on lease liabilities [Note 30]	3.73	2.42
Expenses relating to short-term and low-value leases [Note 36]	8.70	8.65

There is no liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

43. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments and its operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments as described below, which are the Group's strategic business:

Investing Business: Consists of interest income from inter-corporate deposits and bank deposits and dividend income from investment in shares and securities.

Food Processing Business: Consists of business of canned fruits and vegetables, jam, jellies, squashes and juices etc.

(₹ in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations		
Investing Business	319.21	335.57
Food Processing Business	5,079.57	5,520.38
	5,398.78	5,855.95
Segment results		
Investing Business	421.06	319.04
Food Processing Business	(1,466.72)	(1,410.53)
	(1,045.66)	(1,091.49)
Less: Finance costs	234.92	143.40
Less: Other unallocable expenditure (net of unallocable income)	15.15	13.39
Profit / (Loss) before tax	(1,295.73)	(1,248.28)
Other segment information		
Capital expenditure - Property, Plant and Equipment		
Investing Business	-	-
Food Processing Business	33.14	363.15
	33.14	363.15
Depreciation		
Investing Business	2.14	2.14
Food Processing Business	74.82	33.13
	76.96	35.27
Segment assets		
Investing Business	52,287.31	23,162.42
Food Processing Business	7,300.39	7,567.19
Unallocable Assets	617.13	707.37
Total assets	60,204.83	31,436.98
Segment liabilities		
Investing Business	2,054.63	2956
Food Processing Business	920.93	1,269.38
Unallocable Liabilities	2,385.27	2,345.10
Total liabilities	5,360.83	3,644.04

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

44. 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 2022		
	Within twelve months	After twelve months	Total
Financial Assets:			
Cash and Cash Equivalents	510.93	-	510.93
Bank Balances other than Cash and Cash Equivalents	1.17	-	1.17
Receivables	691.40	-	691.40
Investments	-	52,133.96	52,133.96
Other Financial Assets	6.03	15.39	21.42
Non-financial Assets:			
Inventories	1,572.38	-	1,572.38
Current Tax Assets (net)	106.20	-	106.20
Investment Property	-	37.26	37.26
Property, Plant and Equipment	-	4,685.23	4,685.23
Intangible Assets	-	61.90	61.90
Other Non-financial Assets	377.05	5.93	382.98
Total Assets	3,265.16	56,939.67	60,204.83
Financial Liabilities:			
Payables	1,041.86	-	1,041.86
Borrowings (Other than Debt Securities)	2,062.96	-	2,062.96
Deposits	-	17.89	17.89
Subordinated Liabilities	-	249.21	249.21
Other Financial Liabilities	111.91	68.61	180.52
Non-financial Liabilities:			
Provisions	114.93	10.50	125.43
Deferred Tax Liabilities (net)	-	1,581.74	1,581.74
Other Non-financial Liabilities	100.55	0.67	101.22
Total Liabilities	3,432.21	346.88	3,779.09
Net Assets [Total Assets - Total Liabilities]	(167.05)	55,011.05	54,844.00

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

(₹ in lakhs)

Particulars	As at 31 March 2021		
	Within twelve months	After twelve months	Total
Financial Assets:			
Cash and Cash Equivalents	666.22	-	666.22
Bank Balances other than Cash and Cash Equivalents	2.07	-	2.07
Receivables	753.96	-	753.96
Loans	800.00	-	800.00
Investments	-	22,205.26	22,205.26
Other Financial Assets	20.50	16.45	36.95
Non-financial Assets:			
Inventories	1,565.28	-	1,565.28
Current Tax Assets (net)	41.15	-	41.15
Investment Property	-	39.40	39.40
Property, Plant and Equipment	-	4,661.09	4,661.09
Capital Work-in-Progress	-	67.33	67.33
Other Non-financial Assets	590.27	8.00	598.27
Total Assets	4,439.45	26,997.53	31,436.98
Financial Liabilities:			
Payables	911.04	-	911.04
Borrowings (Other than Debt Securities)	2,071.40	-	2,071.40
Deposits	-	16.61	16.61
Subordinated Liabilities	-	239.64	239.64
Other Financial Liabilities	51.85	59.32	111.17
Non-financial Liabilities:			
Provisions	72.93	46.22	119.15

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Other Non-financial Liabilities	173.03	2.00	175.03
Total Liabilities	3,280.25	363.79	3,644.04
Net Assets [Total Assets - Total Liabilities]	1,159.20	26,633.74	27,792.94

45. Related Party Disclosures

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

A. Names of related parties and related party relationship

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

Key management personnel	Ms. Shalini Nopany	– Chairperson / Non-Executive Director
	Mr. Chandra Shekhar Nopany	– Non-Executive Director of a subsidiary
	Ms. Urvi Mittal	– Non-Executive Director of a subsidiary
		(w.e.f. 2 November 2021)
	Mr. Arun Kumar Newar	– Independent / Non-Executive Director
	Mr. Chhedi Lal Agarwal	– Independent / Non-Executive Director
	Mr. Dinesh Kacholia	– Independent / Non-Executive Director
	Mr. Suresh Kumar Khandelia	– Independent / Non-Executive Director
	Mr. Chand Bihari Patodia	– Managing Director
	Mr. Vinayak Viswanath Kamath	– Independent / Non-Executive Director of a subsidiary
		(w.e.f. 27 September 2021)
	Mr. Shounak Mitra	– Independent / Non-Executive Director of a subsidiary
		(w.e.f. 27 September 2021)
	Ms. Meena Jagtiani	– Independent / Non-Executive Director of a subsidiary
		(w.e.f. 2 November 2021)
	Mr. Deepak Kumar Sharma	– Chief Financial Officer
	Ms. Mayuri Raja	– Company Secretary
	Mr. Abhay Andhare	– Chief Financial Officer of a subsidiary
		(w.e.f. 10 February 2021)
	Mr. Santosh Srivastava	– Chief Financial Officer of a subsidiary
		(upto 9 February 2021)

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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

Director's sitting fees / Remuneration to KMPs

(i) Short term employee benefits

(₹ in lakhs)

	Year ended 31 March	Director's sitting fees	Remuneration to KMPs	Amount owed to related parties
Key management personnel			-	
Ms. Shalini Nopany	2022	0.15	-	-
	2021	0.20	-	-
Mr. Chandra Shekhar Nopany	2022	0.20	-	-
	2021	-	-	-
Ms. Urvi Mittal	2022	0.10	-	-
	2021	-	-	-
Mr. Arun Kumar Newar	2022	0.48	-	-
	2021	0.45	-	-
Mr. Chhedi Lal Agarwal	2022	0.48	-	-
	2021	0.45	-	-
Mr. Dinesh Kacholia	2022	0.37	-	-
	2021	0.23	-	-
Mr. Suresh Kumar Khandelua	2022	0.37	-	-
	2021	0.10	-	-
Mr. Chand Bihari Patodia	2022	0.10	-	-
	2021	-	-	-
Mr. Vinayak Viswanath Kamath	2022	0.20	-	-
	2021	-	-	-
Mr. Shounak Mitra	2022	0.23	-	-
	2021	-	-	-
Ms. Meena Jagtiani	2022	0.10	-	-
	2021	-	-	-
Mr. Abhay Andhare	2022	-	38.85	-
	2021	-	13.82	-
Mr. Santosh Srivastava*	2022	-	-	-
	2021	-	19.80	-

* Excluding ₹ 2.12 lakhs value of perquisites determined under the provisions of Income Tax Act, 1961 for the year ended 31 March 2021.

(b) Post employment benefits

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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

- (i) The Company and its subsidiaries other than being registered non-banking financial company have neither given any loan nor has advanced any amount during the year ended 31 March 2022 and during the year ended 31 March 2021.
- (ii) Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note 8.

D. Terms and conditions of transactions with related parties

- (i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- (ii) No amount is outstanding or receivable and no guarantees have been given or received.
- (iii) For the year ended 31 March 2022, 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.

46. 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 2022					
Financial assets					
Investments - Quoted	-	38,438.10	-	38,438.10	38,438.10
Investments - Unquoted	-	13,695.85	-	13,695.85	13,695.85
Cash and cash equivalents	-	-	510.93	510.93	510.93
Bank Balances other than Cash and cash equivalents	-	-	1.17	1.17	1.17
Receivables	-	-	691.40	691.40	691.40
Investment in Government Securities	-	-	0.01	0.01	0.01
Other financial assets	-	-	21.42	21.42	21.42
	-	52,133.95	1,224.93	53,358.88	53,358.88
Financial liabilities					
Payables	-	-	1,041.86	1,041.86	1,041.86
Borrowings (Other than Debts Securities)	-	-	2,062.96	2,062.96	2,062.96
Deposits	-	-	17.89	17.89	17.89
Subordinated liabilities	-	-	249.21	249.21	249.21
Other financial liabilities	-	-	180.52	180.52	180.52
	-	-	3,552.44	3,552.44	3,552.44

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
As at 31 March 2021					
Financial assets					
Investments - Quoted	-	18,443.40	-	18,443.40	18,443.40
Investments - Unquoted	-	3,761.85	-	3,761.85	3,761.85
Cash and cash equivalents	-	-	666.22	666.22	666.22
Bank Balances other than Cash and cash equivalents	-	-	2.07	2.07	2.07
Receivables	-	-	753.96	753.96	753.96
Loans	-	-	800.00	800.00	800.00
Investment in Government Securities	-	-	0.01	0.01	0.01
Other financial assets	-	-	36.95	36.95	36.95
	-	22,205.25	2,259.21	24,464.46	24,464.46

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
As at 31 March 2021					
Financial liabilities					
Payables	-	-	911.04	911.04	911.04
Borrowings (Other than Debts Securities)	-	-	2,071.40	2,071.40	2,071.40
Deposits	-	-	16.61	16.61	16.61
Subordinated liabilities	-	-	239.64	239.64	239.64
Other financial liabilities	-	-	111.17	111.17	111.17
	-	-	3,349.86	3,349.86	3,349.86

The management assessed that cash and cash equivalent, receivables, loans and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

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:

(₹ in lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Total
As at 31 March 2022					
Investments - Quoted	8	38,438.10	-	-	38,438.10
Investments - Unquoted	8	-	-	13,695.85	13,695.85
As at 31 March 2021					
Investments - Quoted	8	18,443.40	-	-	18,443.40
Investments - Unquoted	8	-	-	3,761.85	3,761.85

C. Financial risk management

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

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

Risk management framework

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

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

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

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

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

(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 2022	As at 31 March 2021
Government entities	338.72	375.26
Others	352.68	378.70

Receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the credit loss allowance for receivables.

Ageing of trade receivables is disclosed in Note 6.

The Group's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

Exposure to liquidity risks

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
As at 31 March 2022						
Payables	1,041.86	1,041.86	1,041.86	-	-	-
Borrowings (Other than Debts Securities)	2,062.96	2,062.96	2,062.96	-	-	-
Deposits*	17.89	20.00	-	20.00	-	-
Subordinated Liabilities*	249.21	262.66	-	262.66	-	-
Other financial liabilities*	180.52	188.53	111.91	26.85	11.50	38.27
	3,552.44	3,576.01	3,216.73	309.51	11.50	38.27
As at 31 March 2021						
Payables	911.04	911.04	911.04	-	-	-
Borrowings (Other than Debts Securities)	2,071.40	2,071.40	2,071.40	-	-	-
Deposits*	16.61	20.00	-	-	20.00	-
Subordinated Liabilities*	239.64	262.66	-	-	262.66	-
Other financial liabilities*	111.17	112.77	53.25	2.74	-	56.78
	3,349.86	3,377.87	3,035.69	2.74	282.66	56.78

* including estimated finance cost including dividend.

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and payables.

Foreign currency risks

All transactions of the Group are in Indian currency, consequently the Group is not exposed to foreign currency risk. The Group has no outstanding foreign currency exposure or related derivative contract.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risks

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed rate instruments		
Financial assets	430.41	1357.87
Financial liabilities	1249.21	239.64
Variable rate instruments		
Financial assets	-	-
Financial liabilities	1,062.96	2,071.40

Cash flow sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Equity risk

The Group's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Sensitivity analysis

Investment in equity instruments (Quoted) of the Group are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase / decrease of the Nifty 50 index on the Group's equity and profit for the period. The analysis is based on the assumption that the BSE / NSE had increased / decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

(₹ in lakhs)

Particulars	Profit or loss before tax		Equity, net of tax	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
BSE / NSE - increase by 10%	3,843.81	1,844.34	3,404.08	1,633.35
BSE / NSE - decrease by 10%	(3,843.81)	(1,844.34)	(3,404.08)	(1,633.35)

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.

47. 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.

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

48. Statutory Group Information

Name of the entity in the Group	Net Assets i.e. Total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income [OCI]		Share in total comprehensive income [TCI]	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated OCI	Amount (₹ in Lakhs)	As % of consolidated TCI	Amount (₹ in Lakhs)
Parent:								
Palash Securities Limited								
As at / for the year ended 31 March 2022	0.25%	136.62	(13.13%)	112.12	0.56%	156.47	1.00%	268.59
As at / for the year ended 31 March 2021	0.51%	142.36	0.12%	(1.60)	0.56%	70.89	0.60%	69.29
Subsidiaries (Indian):								
Morton Foods Limited								
[Formerly known as Allahabad Canning Limited]								
As at / for the year ended 31 March 2022	7.82%	4,291.30	143.44%	(1,225.88)	0.03%	9.50	(4.50%)	(1,216.38)
As at / for the year ended 31 March 2021	15.23%	4,232.44	115.15%	(1,477.29)	31.33%	4,033.28	22.06%	2,555.99
Champaran Marketing Company Limited								
As at / for the year ended 31 March 2022	16.01%	8,782.18	(7.25%)	61.97	15.42%	4,302.10	16.13%	4,364.07
As at / for the year ended 31 March 2021	15.94%	4,428.98	(2.41%)	30.92	14.85%	1,911.13	16.76%	1,942.05
Hargaon Investment & Trading Company Limited								
As at / for the year ended 31 March 2022	49.78%	27,299.87	(18.02%)	154.04	53.73%	14,992.53	55.99%	15,146.57
As at / for the year ended 31 March 2021	46.86%	13,023.51	(11.07%)	142.02	41.13%	5,294.63	46.91%	5,436.65
OSM Investment & Trading Company Limited								
As at / for the year ended 31 March 2022	26.05%	14,286.27	(5.18%)	44.28	30.26%	8,445.10	31.38%	8,489.38
As at / for the year ended 31 March 2021	21.29%	5,917.72	(1.86%)	23.90	12.13%	1,561.95	13.68%	1,585.85
Hargaon Properties Limited								
As at / for the year ended 31 March 2022	0.09%	47.76	0.14%	(1.17)	0.00%	-	0.00%	(1.17)
As at / for the year ended 31 March 2021	0.17%	47.93	0.07%	(0.86)	0.00%	-	(0.01%)	(0.86)
Total								
As at / for the year ended 31 March 2021	00.00%	54,844.00	100.00%	(854.64)	100.00%	27,905.70	100.00%	27,051.06
As at / for the year ended 31 March 2020	100.00%	27,792.94	100.00%	(1,282.91)	100.00%	12,871.88	100.00%	11,588.97

Notes to Financial Statements for the year ended 31 March 2022 (Continued.)

49. The previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Agrawal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 12 May 2022

Chand Bihari Patodia

Managing Director

DIN: 01389238

Shalini Nopany

Director

DIN: 00077299

Mayuri Raja

Company Secretary

Deepak Kumar Sharma

Chief Financial Officer

NOTES

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PALASH SECURITIES LIMITED

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