

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

PSL/SE/2019-20/18

9th August, 2019

The Manager
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza'
C - 1, Block G
Bandra-Kurla Complex
Bandra (E)
Mumbai 400051
Symbol: PALASHSECU

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

Dear Sir,

Re: Annual Report for the Financial Year 2018-19

We enclose a copy of the Annual Report and Accounts of the Company for the Financial Year ended 31st March, 2019 together with the Notice dated 10th May, 2019 convening the 5th Annual General Meeting of the Company on 2nd September, 2019 at the Registered Office of the Company at P.O. Hargaon, Dist Sitapur, Uttar Pradesh, in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Thanking you,

Yours faithfully,
For Palash Securities Limited


Mayuri Raja
Company Secretary
ACS : 26022



Encl : as above

2018-19

Annual Report



Corporate Information

Board of Directors

Mrs. Shalini Nopany, Chairperson
 Mr. Arun Kumar Newar
 Mr. Chhedi Lal Agarwal
 Mr. Dinesh Kacholia
 Mr. Bal Kishore Malpani
 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)
 59C, Chowringhee Road,
 Kolkata - 700 020
 Tel. No.:(033)2289 0540, Fax No:(033)-2289 0539
 E-mail : 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 : birlasugar@birla-sugar.com
 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 : secretarial@birla-sugar.com
 Website : www.birla-sugar.com

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Directors' Report

Dear Members,

Your Directors present herewith the 5th Annual Report on the business & operations of the Company alongwith the Audited Statement of Accounts for the financial year ended 31st March, 2019.

1. Financial Results

A summary of standalone and consolidated Financial Performance of the Company for the financial year ended on 31st March 2019, as compared to the previous year are summarized below:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from Operations (Gross)	0.40	0.57	4565.95	4300.06
Profit before Finance Costs, Tax, Depreciation and Amortization	11.08	(34.24)	676.33	838.76
Less: Depreciation & Amortization Expenses	2.27	2.25	16.96	17.65
Less: Finance Cost	-	-	39.85	289.74
Profit/(Loss) Before Tax	8.81	(36.49)	619.52	531.37
Profit/(Loss) After Tax	7.16	(36.49)	574.08	518.54

2. Operating Performance / Status of Company's Affair

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 2018-19

During the Financial Year 2018-19, the Company incurred a profit of Rs. 7.16 lakhs as compared to loss of Rs. 36.49 lakhs in the previous year on standalone basis. On consolidated basis the profit after tax stood at Rs. 574.08 lakhs as compared to profit of Rs. 518.52 lakhs in the previous year

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

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

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31st March 2019 and date of this report.

4. Public Deposits

During the year, the Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013.

5. Share Capital

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

Your Company has not issued any shares/securities during the Financial Year 2018-19.

6. Subsidiary, Associate and Joint Venture

During the year, there was no change in the subsidiaries. The Company has five subsidiaries. The Company has formulated a policy for determining material subsidiaries in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy is being disclosed on the Company's website at the weblink <http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards.

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

7. Human Resources

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

8. Directors

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

During the year, Mr. Bal Kishore Malpani was appointed w.e.f. 10th August, 2018 as an Additional Director in the category of Non Executive Director and his appointment was regularised in the office of Non-executive Director by the Shareholders of the Company at their 4th Annual General Meeting held on 24th September, 2018.

Mr. Chandra Shekhar Nopany, Chairman & Non-executive Director has resigned from the directorship of the Company vide his letter dated 3rd November, 2018. The Board records its appreciation for his unstinted support and counselling towards development of the Company while being in the office of Director.

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

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR) Regulations, 2015.

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

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Company. After detailed discussion at Board level as well as taking input from each Director, Nomination and Remuneration Committee finalized the format / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors including the Chairperson of the Company was carried out for the Financial Year 2018-19. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 2nd November, 2018 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, 2019 in accordance with the provisions of Section 203 of the Companies Act, 2013 –

- a. Mr. Chand Bihari Patodia - Managing Director
- b. Mr. Deepak Kumar Sharma – Chief Financial Officer
- c. Ms. Mayuri Raja – Company Secretary

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

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to Directors & employees of the Company and a declaration to the said effect by the Managing Director is made part of Corporate Governance Report which forms part of this report. The Code is available on the Company's website at the weblink - <http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>. All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

10. Remuneration Policy

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy as adopted by the Board of Directors is available at the website of the Company at the weblink <http://www.birla-sugar.com/Assets/Palash/PALASH-REMUNERTION-POLICY.pdf>. The Nomination & Remuneration Committee has also framed criteria for performance evaluation of every Director and accordingly has carried out the performance evaluation during the year under review.

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

11. 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.

12. 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 2019, 4 (Four) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the financial year 2018-19 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.

13. Audit Committee

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

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

14. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted on 30th March, 2017. The Committee now comprises of Mr. Chhedi Lal Agarwal, Mr. Arun Kumar Newar, and Mr. Dinesh Kacholia. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

15. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on 30th March, 2017. The Committee now comprises of Mr. Chhedi Lal Agarwal, Mr. Arun Kumar Newar, and Mr. Dinesh Kacholia. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

16. Loans, Guarantee and Investments

During the year under review, the Company has not given any loans and corporate guarantees covered under the provisions of Section 186 of the Companies Act, 2013. Details on particulars relating to investments under Section 186 of the Companies Act 2013 are provided in Note 10 of the financial statement.

17. 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 Policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at the web-link <http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Related-Party-Transaction-Policy.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.

18. 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.

19. 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, 2019, 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.

20. Whistle Blower / Vigil Mechanism

The Company has established a vigil mechanism and adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct policy. During the year under

review, there has been change in this policy with respect to leak or suspected leak of Unpublished Price Sensitive Information has been incorporated so that whistle blowers can report concerns. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. The brief detail about this mechanism may be accessed on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Whistle-Blower-Policy.pdf>

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

21. Corporate Governance & Annual Return

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2018-19 is attached as **Annexure "B"** to this Report. The declaration of the Managing Director confirming compliance with the 'Code of Conduct' of the Company is enclosed as Annexure **Annexure "C"** to this Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance is enclosed as **Annexure "D"** to this Report

The extract of the Annual Return of the Company is attached as **Annexure "F"** to this Report and is also available on the Company's website viz. <http://www.birla-sugar.com/About-Us-PALASH-SECURITIES-LIMITED#>

22. Auditors, Audit Qualifications and Board's Explanations

Statutory Auditors

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

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

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

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is annexed herewith as **Annexure "E"** which is self-explanatory.

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

In addition to the above, pursuant to new Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 introduced by SEBI on 8 February 2019, every material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, with effect from the year ended 31st March, 2019. Accordingly, the Secretarial Audit Report of the material unlisted subsidiaries of the Company viz-a-viz Allahabad Canning Limited and Hargaon Investment & Trading Co. Ltd is annexed herewith as **Annexure "E1"** & **Annexure "E2"** respectively, which is self-explanatory.

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

23. Investor Education and Protection Fund

The provisions pertaining to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts

lying with Companies) Rules, 2012, the Company are not applicable to your company.

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

There has been no such case pending during the year under review.

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

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

26. 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.

27. Directors' Responsibility Statement

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

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note 3 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit or loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

28. CEO/CFO Certification

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

29. Acknowledgement

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

For and on behalf of the Board

Place: Kolkata
Dated: 10th May, 2019

Chand Bihari Patodia
Managing Director
DIN: 01389238

Bal Kishore Malpani
Director
DIN: 00209006

Annexure A

Management & Discussion Analysis

Economic Overview

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States.

Global growth is expected to remain at 3.0 per cent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world. India's GDP is forecast to expand 7.5% in FY20 and 7.7% in FY21. India will further build its lead as the world's fastest-growing major economy as it picks up pace next year while the global economy is forecast to slow as per the International Monetary Fund.

In fact, the effects of the external shocks such as increase in crude price and conditions worsened as recovery in some advanced economies caused faster investment outflows were contained in part by India's strong macroeconomic fundamentals and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment).

Industry Structure and Developments

Investments and growth follow a similar pattern, and investments make up a crucial component for overall growth optimization. At the top of the business cycle, investors will naturally be watching for recessionary triggers. But the fundamental indicators of economic health, the labor market and inflation are holding an ideal position heading into 2019. With no obvious financial imbalances emerging, the economy appears remarkably well-balanced and poised to enjoy a good period of full employment and price stability.

A host of factors has enabled the Country's growth, which includes a highly developed financial system, infrastructure requirements and proactive government regimes. Domestic and foreign investments both have had made an impact on the country's growth.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

The outlook is positive for India, one of the fastest-growing economies. Fostering private investment and careful management of public finances could help the economy go a long way.

Opportunities and Threats.

Your Company being an Investment Company it seeks opportunities in the capital market. The unpredictability in the stock indices in the financial year under report represents both an opportunity and challenge for the Company. There are external risks as well, such as a more profound slowdown of the global economy than anticipated or renewed tensions over trade between the US and China.

Over the years, India has emerged as one of the fastest growing economies in the world and an attractive investment destination driven by economic reforms and a large consumption base. Next few months could offer some good investment opportunities. We continue to believe that the market would still be in watchful mode till May's centre election results. Overall, in the long term, the fundamentals underlying the business drive the stock returns and they are of at most importance to the investors.

Despite the positive outlook, the economy remains vulnerable to domestic and geopolitical risks, especially economic and political changes that can affect relative prices and hurt current and fiscal account deficit. While expectations of inflationary pressures remain benign, concerns have risen on the twin deficit problem i.e current account deficit and fiscal deficit especially as portfolio investments remain subdued while trade deficit stays high. While fiscal expansion remains key to accelerating growth, it may weigh on government coffers if private investment loses steam.

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

The Government, through the Ministry of Food Processing Industries, is making every effort to boost investments in the sector. Encouraged by proactive policy measures of the Government of India and the state Governments, several foreign companies, as well as domestic corporates, have set up processing units on their own or through joint ventures (JV) and often in collaboration with other players.

Complementing the strong demand drivers, India offers the largest diversified production base in the food sector and the progressive measures and bold reforms by the government, especially in the last three years reflects the government's positive outlook, and a clear intent to develop the sector.

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

Performance

The Company operates in single segment which is to invest, deal etc in securities. The businesses of the Company are carried out by its wholly-owned subsidiaries. The first three being wholly owned subsidiaries of the Company viz: OSM Investment & Trading Company Limited; Champaran Marketing Company Limited; Hargaon Investment & Trading Company Limited and are registered NBFC with RBI and primarily engaged in investment activities and whereas Hargaon Properties Ltd is a step down subsidiary engaged in investment of properties. And the other wholly owned subsidiary Allahabad Canning Ltd is engaged in the Food Processing Business thereby producing all types of Canned Fruits & Vegetables, Jams Jellies, Marmalades, Juices, Tomato Ketchup/Puree/Sauce, Vegetable Sauces, Squashes, Breakfast cereals like cornflakes, chocos, white oats etc.

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

Apart from its operations in investment in securities including through its Wholly Owned Subsidiaries, the Company also continues to be engaged in business of food processing through its subsidiary Company i.e Allahabad Canning Limited. There has been no change during the year under review in the nature of business pursued by the Company.

The performance has resulted in a profit before tax of Rs. 8.81 lacs and a profit after tax of Rs. 7.16 lacs in the relevant year as against the loss before tax and loss after tax of Rs. 36.49 lacs in the previous year. The EBIDTA stood at Rs 11.08 lacs as against a loss of Rs. 34.24 lacs in the previous year.

The Disclosure as stipulated under Regulation 34(3) read with Schedule V Clause B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

- i. The Debtors Turnover Ratio, Inventory Turnover Ratio, Interest Coverage Ratio as on 31st March, 2019 is NIL.
- ii. The Current Ratio as on 31st March, 2019 is 0.85 as compared to 1.10 in the previous financial year.
- iii. The Net Profit Margin for the current financial year as on 31st March, 2019 is 19.20%. In addition to above, there was change in return on Net Worth to the tune of 0.72% as compared to the immediately previous financial year because of lower expenses.

Outlook

With key economic policies on track, the government is expected to focus on faster policy implementation in the year ahead, with a greater focus on infrastructure development. Government push may encourage muted private investors to participate, thereby fostering private sector expenditure and boosting investments. That being said, we believe that a key step toward healthy economic growth lies in reviving private sector investment, given that these have remained at low levels over the past several quarters.

Recent policy measures by the government to improve the investment climate and boost private consumption and investment is expected to lift economic growth in the next two fiscal years. In India, continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the economy's growth prospects. Important steps have been taken to strengthen financial sector balance sheets, including through accelerated resolution of non-performing assets under a simplified bankruptcy framework.

In the run-up to the general elections, the market is filled with anxiety and expectations. So next year we are expecting a year of volatility for the Indian stock market. Investors have always been in favour of a stable government and sustainable economic growth. Elections have a short-term impact on the market, but it is the government policies and economic growth that is more important in the long run. Also, global cues will continue to impact the Indian stock market, before and after the elections. So we should keep one thing in mind that regardless of which party would come in power, after initial reactions, Indian market would continue to follow global trends.

Risks and Concerns

Your Company follows a risk management process for identification, categorization and prioritization of various risks like operational, financial, legal and other business risks. The Chief Financial Officer aided by the Internal Auditor reviews the effectiveness of the process at regular intervals and reports the same to the Audit Committee and the Board.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company is mainly exposed to market risks in the form of reduction in value of its investment and fall in return due to dip in the investee company's performance. Delay in repayment by the borrower companies can affect liquidity and redeployment scope. The Company is also exposed to fluctuation of economy and industry cycle.

The Audit Committee periodically reviews the efficacy of Internal Financial Control Systems and risk mitigation process.

Internal Control Systems and Their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations

The Audit Committee periodically reviews the efficacy of Internal Financial Control Systems and risk mitigation process. Your Board believes that appropriate procedures, controls and monitoring assessment procedures are in place and considered adequate.

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. The Internal Auditors were suggested with audit plan based on the risk profile of business activities of the organization, which were approved by the Audit Committee. The adequacy of the internal control system is reviewed by the Audit Committee of the Board of Directors. The efficacy of the internal checks and control systems are verified by the Internal Auditors as well as the Statutory Auditors. The Audit Committee reviews the internal audit plan, adequacy and effectiveness of the internal control system, significant audit observations and monitors the sustainability of remedial measures.

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

Human Resources

Steps have been taken to inculcate a performance-oriented culture by focusing and laying more emphasis on the performance management system. It has been Company's endeavour to attract talent from the most reputed institutions to meet the requirements of various functions. The Company will strengthen its operative staffs as and when need arises.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's outlook, objectives, projections, estimates and expectations may be 'forward looking statement' within the meaning of applicable laws or regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in Government regulations and tax-regime, economic developments within India and abroad, financial markets, etc. The Company assumes no responsibility in respect of forward-looking statements that may be revised or modified in future on the basis of subsequent developments, information or events. The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards notified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006. The management has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit/ loss for the year. The narrative on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

Annexure B

Report on Corporate Governance

1. Company's Philosophy

Palash Securities Limited (PSL), a part of K K Birla Group of Sugar 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, 3 (50%) are Independent Directors. The composition of the Board is in conformity with the Listing Regulations. The Board is headed by the Non-Executive Chairperson Mrs. Shalini Nopany.
- ii. During the year, Mr. Bal Kishore Malpani was appointed w.e.f. 10th August, 2018 as an Additional Director in the category of Non Executive Director and his appointment was regularised in the office of Non-executive Director by the Shareholders of the Company at their 4th Annual General Meeting held on 24th September, 2018. Again, Mr. Chandra Shekhar Nopany, Non-Executive Director has resigned from the directorship of the Company vide his letter dated 3rd November, 2018. The Board records its appreciation for his unstinted support and counselling towards development of the Company while being in the office of Director.
- iii. The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the meetings and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, promoter group, its directors, management, subsidiaries or associates.
- iv. As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of SEBI (LODR) Regulations, 2015 as well as not have been debarred or disqualified from being appointed or continuing as director by SEBI/MCA or any other statutory authority. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.
- v. The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Section 149(7) of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR) Regulations, 2015. Independent Directors do not serve in more than 7 listed companies.
- vi. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.
- vii. The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- viii. The Independent Directors (IDs) met on 2nd November, 2018 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.

- ix. The Board is of the opinion that independent directors fulfill the conditions specified in the Listing Regulations as amended from time to time and are independent of the management.
- x. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding of Company's business dynamics across various geographical markets, industry verticals and regulatory
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
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.

Familiarisation Programme

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

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

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

Performance Evaluation

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

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

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

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Member and Board Committees based on the criteria as formulated by the Nomination & remuneration Committee 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.

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 8th May, 2018, 10th August, 2018, 2nd November, 2018 and 6th February, 2019 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships/Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) of SEBI (LODR) Regulations, 2015 held by them during the year 2018-19 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Director-ships 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		No. of Equity Shares held
					Chairman	Member	Name of the Company	Category	
Mr Chandra Shekhar Nopany (DIN – 00014587)#	C/NED	3	No	8	2	-	● Avadh Sugar & Energy Ltd	Non-Independent	28468
							● Magadh Sugar & Energy Ltd		
							● Ganges Securities Ltd		
							● Chambal Fertilisers and Chemicals Ltd		
							● New India Retailing & Investment Ltd		
							● Sutej Textiles and Industries Ltd		
							● SIL Investments Limited		
Mrs Shalini Nopany (DIN– 00077299)	C/NED	4	No	5	-	1	● Ronson Traders Ltd	Non-Independent	NIL
							● Palash Securities Limited		
							● Sidh Enterprises Ltd		
Mr Chand Bihari Patodia (DIN– 01389238)	MD	4	Yes	1	-	-	-	Independent	NIL
Mr Dinesh Kacholia (DIN – 07640666)	I/NED	2	No	-	-	-	-	Independent	NIL
Mr Chhedi Lal Agarwal (DIN – 07778603)	I/NED	4	Yes	4	-	1	-	Independent	NIL
Mr Arun Kumar Newar (DIN – 07778968)	I/NED	4	No	2	1	2	● Ganges Securities Limited	Independent	NIL
Mr Bal Kishore Malpani (DIN – 00209006) ##	NED	1	No	-	-	-	-	Non-Independent	NIL

upto 8th November, 2018

appointed w.e.f 10th August, 2018

C – Chairperson	I - Independent	NED - Non-executive Director	MD – Managing Director
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Note: The number of directorships held by the Directors does not include Private Limited Companies, Foreign Companies and Companies incorporated under Sec 8 of the Companies Act, 2013.

Not less than two thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. One third of the number of directors liable to retire by rotation will retire by rotation every year. As per the provisions of Sec 149 of the Companies Act, 2013, the independent Directors are not liable to retire by rotation. Accordingly, Mrs Shalini Nopany is liable to retire by rotation and is eligible for re-appointment. Brief particulars of Mrs. Shalini Nopany forms part of the Notice convening the Annual General Meeting.

Committees of the Board

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

3. Audit Committee

i. Overall purpose/Objective

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

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

ii. Terms of Reference

The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/ examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors, discussing with auditors significant findings, if any, related party transactions and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, as amended from time to time. It also deals with matters relating to Company's Code of Conduct for Prohibition of Insider Trading framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended and related matters.

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

The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Auditors and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company. The Company has also appointed agencies to undertake the Internal Financial Controls (IFC) implementation at the Company and for review, control and monitoring Internal Financial Controls as well as for the purpose of Information System (IS) Audit of the internal systems and processes of the Company.

iii. Composition and Meetings

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

4 (Four) meetings of the Audit Committee were held during the year 2018-19 viz. on 8th May, 2018, 10th August, 2018, 2nd November, 2018 and 6th February, 2019 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	No of meetings attended
Mr. Chhedi Lal Agarwal	Chairperson	4
Mr. Dinesh Kacholia	Member	2
Mr. Arun Kumar Newar	Member	4
Mr. Chand Bihari Patodia	Member	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, 2019 is as follows:

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

During the period under review the Committee met four times on 4 (Four) respectively. The Committee is headed by Mr. Chhedi Lal Agarwal an Independent Director and Company Secretary is the Compliance Officer.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	No of meetings attended
Mr. Chhedi Lal Agarwal	Chairperson #	4
Mr. Arun Kumar Newar	Member	4
Mr. Dinesh Kacholia	Member	2

w.e.f. 10 May 2019

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 'palashsecurities@birlasugar.org' on a day to day basis.

During the financial year ended 31st March, 2019, the Company received One complaint under SEBI Complaints Redress System (SCORES) which was resolved as on 31st March, 2019 and no complaints were pending as on 31st March, 2019.

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

5. Nomination and Remuneration Committee

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

i. Objectives:

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

ii. Terms of Reference:

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

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

iii. Composition and Meetings:

The Committee comprises of the following Directors:

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

During the period under review the Committee met 2 (Two) times respectively.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	No of meetings attended
Mr. Arun Kumar Newar	Chairperson #	2
Mr. Dinesh Kacholia	Member	1
Mr. Chhedi Lal Agarwal	Member	2

w.e.f. 10 May 2019

iv. Remuneration Policy:

The Board of Directors of the Company had at its meeting held on 30th March, 2017 adopted the Remuneration Policy as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy as adopted by the Board of Directors is available at the website of the Company at the weblink <http://www.birla-sugar.com/Assets/Palash/PALASH-REMUNERTION-POLICY.pdf>

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

v. Remuneration of Directors

Detail of remuneration paid to the Directors for the financial year 2018-19:

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

Sl. No.	Name of the Director	Amount (Rs.)
1	Mr. Chandra Shekhar Nopany#	15000/-
2	Mrs Shalini Nopany	20000/-
3	Mr. Chhedi Lal Agarwal	45000/-
4	Mr. Arun Kumar Newar	45000/-
5	Mr. Dinesh Kacholia	22500/-
6	Mr. Bal Kishore Malpani *	5000/-

#upto 08.11.2018 / *appointed w.e.f 10.08.2018

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, 2019 the Company has five subsidiaries. The Company has formulated a policy for determining material subsidiaries in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy is being disclosed on the Company's website at the weblink <http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>

8. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Similarly, there were no transaction with person or entity belonging to Promoter/ Promoter Group which holds 10% or more shareholding in the Company. Suitable disclosure has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which modified in line with amended provisions of Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 and has been uploaded on the Company's website at the web-link <http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Related-Party-Transaction-Policy.pdf>

9. Vigil Mechanism / Whistle Blower Policy

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

10. Policy Against Sexual and Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the financial year 2018-19, the Company has not received any complaint on sexual harassment from any of the women employees of the Company, neither there were any pending complaints which were disposed off nor there were any complaints pending as on the end of the FY 2018-19. There has been no such case pending during the year under review.

11. General Body Meetings

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

Financial Year	Date	Time	Location
2017-18	24.09.2018	10.30 a.m.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2016-17	22.09.2017	10.30 a.m.	
2015-16	12.09.2016	12.30 p.m.	

The last Annual General Meeting was held on 24th September, 2018, which was chaired by Mr Chand Bihari Patodia.

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

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

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

12. Means of Communication

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

13. General Shareholders' Information

i. 5th Annual General Meeting

- Day : Monday
Date : 2nd September, 2019
Time : 10.00 a.m.
Venue : Registered Office of the Company at -
P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121

ii. Tentative Financial Calendar for the year 2019-20

Approval of Audited Annual Results (2018-19)	10th May, 2019
First Quarter Results	On or before 14th August, 2019
Second Quarter Results	On or before 14th November, 2019
Third Quarter Results	On or before 14th January, 2020
Audited Annual Results (2019-20)	On or before 30th May, 2020

iii. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 27th August, 2019 (Tuesday) to 2nd September, 2019 (Monday) (both day inclusive)

iv. Dividend Payment Date

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

v. Listing on Stock Exchanges and Stock Codes

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

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

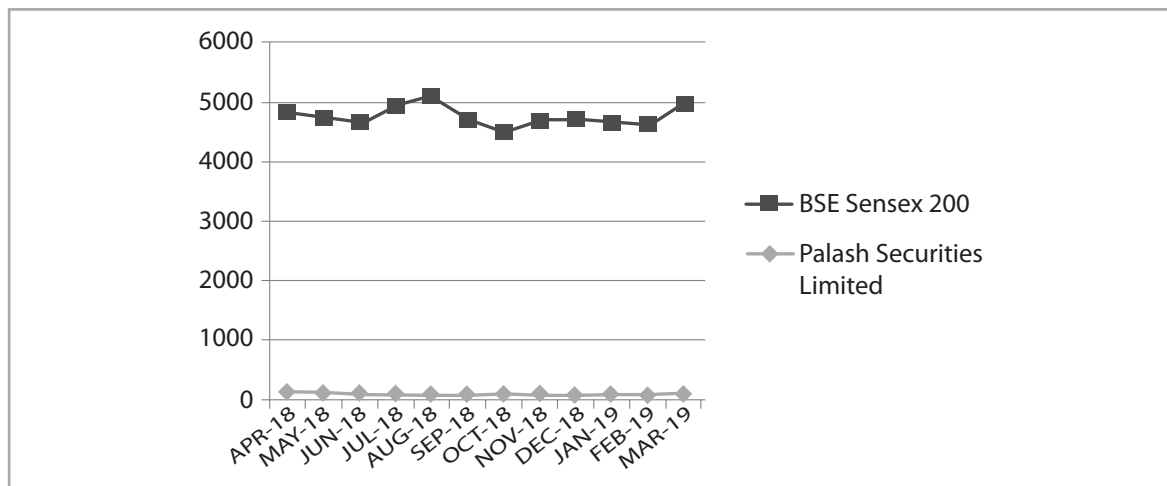
Listing fees for the FY 2019-20 have been paid to the above Stock Exchanges.

vi. Market Price data

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

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April, 2018	64	50	62.2	52.2
May, 2018	64	51.9	60.2	50
June, 2018	55	42.2	54.9	41.1
July, 2018	55.4	40.2	53.9	41.15
August, 2018	52.55	40.3	53	40
September, 2018	53	37.95	52.8	38.5
October, 2018	44	36.3	44	35.5
November, 2018	44.35	38.85	46.3	35.4
December, 2018	42.8	38	46.8	38.35
January, 2019	42.7	36.25	44	36.95
February, 2019	39.45	34.55	41.75	30.65
March, 2019	43	37	43.7	37.15

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



The shares of the company were never suspended.

viii. Registrar & Share Transfer Agent

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

Link Intime India Pvt. Ltd.

Unit: Palash Securities Limited

59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020

Tel: 91 033 2289 0540, Fax : 91 033 2289 0539, E-mail: kolkata@linkintime.co.in

ix. Share Transfer System

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

x. Distribution of Shareholding

a. Equity Share Capital History

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

Date of Allotment	No. of share	Issue Price (Rs per share)
30.03.2017	10003102	1

b. The Distribution of Shareholding as on 31st March, 2019 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -500	9052	92.58	693304	6.93
501 - 1000	315	3.22	233324	2.33
1001 – 2000	205	2.10	298007	2.98
2001 – 3000	59	0.60	149739	1.50
3001 – 4000	32	0.33	112636	1.13
4001 – 5000	20	0.20	90813	0.91
5001 – 10000	34	0.35	244526	2.44
100001 and above	61	0.62	8180753	81.78
Total	9778	100	10003102	100

c. Detail of Shareholding pattern of the Company as on 31st March, 2019 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	6219252	62.17
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	395770	3.96
Bodies Corporate	356512	3.56
Societies	20500	0.20
NBFC	67	0.00
Indian Public	2951756	29.51
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	59245	0.59
Total	10003102	100

xi. Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd. and The National Stock Exchange of India Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 9933395 Equity Shares viz. 99.30% of the Equity Share Capital of the Company have already been dematerialized

xii. Outstanding GDRs / ADRs/Warrants or Convertible Instrument

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

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

Not Applicable

xiv. Address for Correspondence:

The Company Secretary,	Link Intime India Pvt. Ltd.
Palash Securities Limited	Unit : Palash Securities Limited
9/1, R.N. Mukherjee Road	59C, Chowringhee Road
5th Floor, Birla Building	3rd Floor
Kolkata - 700 001	Kolkata - 700 020
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: palashsecurities@birlasugar.org	e-mail: kolkata@linkintime.co.in

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

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

14. CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company have certified that all the requirements of the Listing Regulations inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2019, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

15. Information about directors seeking appointment/ re-appointment

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

16. Prevention of Insider Trading

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

17. Code of Conduct

The Company has also adopted a Code of Conduct (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at <http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Managing Director, is attached to this report and which forms an integral part of this report.

18. Legal Compliances

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

19. Reconciliation of Share Capital Audit

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

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

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

21. Secretarial Audit & Secretarial Compliance Report

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended 31st March, 2019 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 the M/s Vinod Kothari & Co, Practising Company Secretary and their report was submitted to Stock Exchange in stipulated time.

22. 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. 19 of the Accounts in the Annual Report.
- ii. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- iii. The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- iv. The Company has complied with all the applicable mandatory requirements.
- v. In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. 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 15 to the Standalone Financial Statements and Note 23 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 2018-19.
- ix. None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as director of company by the SEBI/MCA or any such statutory authority, which has also been confirmed by AK Labh & Co., Practising Company Secretaries.

23. Discretionary Requirements

- a. Chairman of the Board: Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties
Yes, the Company do provide for maintenance of Chairperson office at the Company's expense.
- b. Shareholder rights: A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders
Since 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, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. The Annual Report of the Company for the financial year 2018- 19 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.
The Company communicates with shareholders through e-mail, telephone etc.
- c. Modified opinion(s) in audit report: Company may move towards a regime of unmodified financial statements
It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on 31st March, 2019
- d. Reporting of Internal Auditor: The Internal Auditor may report directly to the Audit Committee. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

24. Web links to Company policies and programmes

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

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

2. Policy for determining Material Subsidiaries
<http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>
3. Code of Conduct
<http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>
4. Policy on Determination of Materiality
<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Policy-on-Determination-of-Materiality.pdf>
5. Policy on preservation of documents including archival
<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Policy-on-preservation-of-documents-including-archival.pdf>
6. Whistle Blower Policy
<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Whistle-Blower-Policy.pdf>
7. Familiarisation Programme
<http://www.birla-sugar.com/Assets/Palash/FAMILARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf>

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

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

- i. Board of Directors
- ii. Audit Committee
- iii. Nomination and Remuneration Committee
- iv. Stakeholders' Relationship Committee
- v. Vigil Mechanism
- vi. Related Party Transactions
- vii. Obligations with respect to Independent Directors
- viii. Obligations with respect to Directors and senior management
- ix. Other Corporate governance requirements as stipulated under the Regulations
- x. Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

Green Initiative in Corporate Communication Electronic Mode of Service of Documents

The Ministry of Corporate Affairs (MCA) had taken up "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its issued circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011 allowing service of documents to shareholders through electronic mode by the Companies. As a strong supporter of green initiatives and as a responsible corporate citizen, your Company vehemently supports the said initiative.

We are sure, that as a responsible shareholder, you too will support this initiative and get yourselves registered for getting all corporate communications in electronic form from the Company. By registering yourself with the Company for e-communication, you will be able to receive such notice(s)/ document(s), etc., promptly and without there being a chance of loss of the same in postal transit. It is therefore proposed that henceforth documents, Notices of Meetings, Annual Reports, Directors' Reports, Auditors' Report and other shareholder communications will be sent electronically to the e-mail id provided by you and made available with the Company by the Depositories viz., NSDL/CDSL.

All those shareholders of the Company who have so far not provided their e-mail ids to the Company are requested to do so. All those shareholders who have already provided their e-mail ids to the Company are requested to keep their Depository Participants (DPs) informed of changes, if there be any, in their e-mail ids. For shares held in physical form, shareholders can either register their e-mail ids with the Company at secretarial@birla-sugar.com mentioning their name(s) and folio no. or intimate their e-mail ids to the Company's Registrar & Share Transfer Agent M/s Link Intime India Private Limited at the following address:

Link Intime India Private Ltd. (Unit: Palash Securities Limited)

59C, Chowringhee Road, Kolkata 700020

Email: kolkata@linkintime.co.in

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 2018-19.

Place: Kolkata
Date: 10th May, 2019

Chand Bihari Patodia
Managing Director

Annexure – D

Independent Auditor’s Report on Corporate Governance

To
The Members of
Palash Securities Limited

We have examined the compliance of conditions of Corporate Governance by **Palash Securities Limited** (“the Company”) for the year ended on 31st March, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

Management’s Responsibility

The management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) along with the maintenance of all its relevant supporting records and documents.

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, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2019.

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’s Registration No – 319260E

Chetan Kumar Nathani
Partner
Membership No. – 310904

Place: Kolkata
Date: 10th May, 2019

Annexure E

Secretarial Audit Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

To,
The Members,
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"). 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, 2019, 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
 - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - b. all other Labour, Employee and Trade Laws to the extent applicable to the Company.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India, Listing Agreement entered into by the Company with the Stock Exchanges.

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.

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, Non-Executive Directors, Women Director and Independent 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', if any, views are captured and recorded as part of the minutes.

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

We further report that during the Audit Period, the Company has not 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 **Vinod Kothari & Company**
Practising Company Secretaries

Arun Kumar Maitra

Partner

ACS: 3010

C.P. No.: 14490

Place: Kolkata

Date: 10.05.2019

ANNEXURE - A1

List of Documents

1. Corporate Matters
 - 1.1 Minutes books of the following Meetings were provided:
 - 1.1.1 Board Meeting
 - 1.1.2 General Meeting
 - 1.1.3 Audit Committee
 - 1.1.4 Nomination and Remuneration Committee
 - 1.1.5 Stakeholder Relationship Committee
 - 1.2 Annual Report (2017-18);
 - 1.3 Agenda papers for Board Meeting along with Notice;
 - 1.4 Financial Results up to March 31, 2019;
 - 1.5 Memorandum and Articles of Association;
 - 1.6 Disclosures under the Act, 2013;
 - 1.7 Policies framed under the Act, 2013 and the Listing Regulations, 2015;
 - 1.8 Forms and returns filed with the ROC;
 - 1.9 Registers maintained under Act, 2013;
 - 1.10 Disclosures under Act, 2013 and Listing Regulations.

Annexure E1

Secretarial Audit Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

To,
The Members,
Allahabad Canning Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Allahabad Canning Limited (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, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
 - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a. Legal Metrology Act, 2009;
 - b. The Food Safety and Standards Act, 2006;
 - c. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - d. all other Labour, Employee and Trade Laws to the extent applicable to the Company.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

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.

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', if any, views are captured and recorded as part of the minutes.

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

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

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

Arun Kumar Maitra
Proprietor
ACS: 3010
C.P. No.: 14490

Place: Kolkata

Date: 09.05.2019

ANNEXURE - A1**List of Documents**

1. Corporate Matters
 - 1.1 Minutes books of the following Meetings were provided:
 - 1.1.1 Board Meeting
 - 1.1.2 General Meeting
 - 1.1.3 Audit Committee
 - 1.1.4 Nomination and Remuneration Committee
 - 1.2 Annual Report (2017-18);
 - 1.3 Agenda papers for Board Meeting along with Notice;
 - 1.4 Memorandum and Articles of Association;
 - 1.5 Disclosures under the Act, 2013;
 - 1.6 Policies framed under the Act, 2013;
 - 1.7 Forms and returns filed with the ROC;
 - 1.8 Registers maintained under Act, 2013;
 - 1.9 Disclosures under Act, 2013.

Annexure E2

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019**

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

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.** (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 books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- (Not applicable to the Company during the Audit period);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. I further report that the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable, as the Company being an unlisted entity:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the specific applicable laws like:

Master Direction – Non Banking Financial Company – Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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

- (i) Secretarial Standards as issued and mandated by the Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company. (Not applicable as the Company being an unlisted entity).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above;

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. There were no changes in the composition of the Board of Directors during the period under review.

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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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.

This report is to be read with our letter of even date which is annexed "Annexure A" and forms an Integral Part of this report.

For **MR & Associates**
Company Secretaries

[Manisha Agarwal]

Partner

ACS No.:29621

C P No.:12324

Place : Kolkata

Date : 08.05.2019

ANNEXURE - A

(To The Secretarial Audit Report of Hargaon Investment & Trading Co Ltd. for the Financial Year Ended 31st March, 2019)

To,

The Members

HARGAON INVESTMENT & TRADING CO LTD.

9/1 R N Mukherjee Road,
Kolkata- 700001

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and 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.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MR & Associates**
Company Secretaries

[Manisha Agarwal]

Partner

ACS No.:29621

C P No.:12324

Place : Kolkata

Date : 08.05.2019

Annexure – F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

I. Registration and Other Details

CIN	L74120UP2015PLC069675
Registration Date	23-03-2015
Name of the Company	PALASH SECURITIES LIMITED
Category / Sub-Category of the Company	Company limited by shares, Indian Non-Government Company
Address of the Registered office and contact details	P.O. Hargaon, Dist – Sitapur, Uttar Pradesh – 261 121 Tel No : 05862 256 220
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 59C, Chowringhee Road 3rd Floor Kolkata - 700 020 India Tel : 91-033-2289 0540 Fax : 91-033-2289 0539 e-mail: kolkata@linkintime.co.in

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other financial service activities, except in insurance and pension funding activities	649	2.68
2.	Real Estate Activities	681	97.32

III. Particulars of Holding, Subsidiary and Associate Companies

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

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

i) Category-wise Shareholding

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	32,635	0	32,635	0.3262	32,635	0	32,635	0.3262	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Promoter Trust	0	0	0	0.0000	268	0	268	0.0027	0.0027
	Bodies Corporate	61,33,047	0	61,33,047	61.3115	61,86,349	0	61,86,349	61.8443	0.5328
	Sub Total (A)(1)	61,65,682	0	61,65,682	61.6377	62,19,252	0	62,19,252	62.1732	0.5355
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	61,65,682	0	61,65,682	61.6377	62,19,252	0	62,19,252	62.1732	0.5355
(B)	PUBLIC SHAREHOLDING									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	1293	1293	0.0129	0	1293	1293	0.0129	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	244	244	0.0024	0	244	244	0.0024	0.0000
(g)	Insurance Companies	3,94,229	4	3,94,233	3.9411	3,94,229	4	3,94,233	3.9411	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	3,94,229	1541	3,95,770	3.9565	3,94,229	1541	3,95,770	3.9565	0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000

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

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	15,15,219	72,543	15,87,762	15.8727	14,49,607	66,806	15,16,413	15.1594	-0.7133
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	12,60,023	0	12,60,023	12.5963	13,05,490	0	13,05,490	13.0509	0.4546
(b)	NBFCs registered with RBI	0	0	0	0.0000	67	0	67	0.0007	0.0007
(c)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Trusts	141	0	141	0.0014	0	0	0	0.0000	-0.0014
	Foreign Nationals	144	252	396	0.0040	0	252	252	0.0025	-0.0015
	Hindu Undivided Family	1,24,483	1	1,24,484	1.2445	1,23,901	1	1,23,902	1.2386	-0.0059
	Non Resident Indians (Non Repat)	7,688	0	7,688	0.0769	10,254	0	10,254	0.1025	'0.0256
	Non Resident Indians (Repat)	37,403	0	37,403	0.3739	48,739	0	48,739	0.4872	'0.1133
	Clearing Member	21050	1	21051	'0.2104	5950	1	5951	0.0595	-0.1509
	Bodies Corporate	4,01,596	1,106	4,02,702	4.0258	3,75,906	1,106	3,77,012	3.7690	-0.2568
	Sub Total (B)(3)	33,67,747	73,903	34,41,650	34.4058	33,19,914	68,166	33,88,080	33.8703	-0.5355
	Total Public Shareholding(B)=(B)(1)+(B)(2) +(B)(3)	37,61,976	75,444	38,37,420	38.3623	37,14,143	69,707	37,83,850	37.8268	-0.5355
	Total (A)+(B)	99,27,658	75,444	1,00,03,102	100.0000	99,33,395	69,707	10003102	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	99,27,658	75,444	10003102	100.0000	99,33,395	69,707	10003102	100.0000	

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

ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Uttar Pradesh Trading Co. Ltd	12,83,234	12.8284	0.0000	12,83,234	12.8284	0.0000	0.0000
2	SCM Investment & Trading Co. Ltd.	10,78,958	10.7862	0.0000	10,78,958	10.7862	0.0000	0.0000
3	New India Retailing and Investment Ltd	10,71,532	10.7120	10.7120	10,71,532	10.7120	10.7120	0.0000
4	RTM Investment And Trading Co. Ltd.	90,4,951	9.0467	9.0467	9,04,951	9.0467	9.0467	0.0000
5	GMB Investments Private Limited	3,81,345	3.8123	0.0000	0	0.0000	0.0000	-3.8123
6	Ronson Traders Limited	3,27,575	3.2747	1.1375	3,80,877	3.8076	1.1375	0.5329
7	Sidh Enterprises Ltd.	3,06,658	3.0656	0.0000	3,06,658	3.0656	0.0000	0.0000
8	Sonali Commercial Ltd.	2,57,658	2.5758	2.3136	2,57,658	2.5758	2.3136	0.0000
9	Yashovardhan Investment & Trading Co. Ltd.	2,00,161	2.0010	0.0000	2,00,161	2.0010	0.0000	0.0000
10	Deepshikha Trading Co. Private Limited	1,77,784	1.7773	1.7740	5,59,129	5.5896	1.7740	3.8123
11	Uttam Commercial Ltd.	1,17,643	1.1761	0.0000	1,17,643	1.1761	0.0000	0.0000
12	Chandra Shekhar Nopany	28,468	0.2846	0.0000	28,468	0.2846	0.0000	0.0000
13	Rajpur Farms Limited	15,315	0.1531	0.0000	15,315	0.1531	0.0000	0.0000
14	Narkatiaganj Farms Limited	9,756	0.0975	0.0000	9,756	0.0975	0.0000	0.0000
15	Nandini Nopany	4,167	0.0417	0.0000	4,167	0.0417	0.0000	0.0000
16	The Oudh Trading Co. (P) Ltd.	477	0.0048	0.0000	477	0.0048	0.0000	0.0000
17	Chandra Shekhar Nopany - Trustee of Shruti Family Trust	0	0.0000	0.0000	258	0.0026	0.0000	0.0026
18	Chandra Shekhar Nopany - Trustee of Shekhar Family Trust	0	0.0000	0.0000	10	0.0001	0.0000	0.0001
	Total	61,65,682	61.6377	24.9838	62,19,252	62.1732	24.9838	0.5355

iii) Change in Promoters' Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions During The Year		Cumulative Shareholding At The End of The Year - 2019	
		beginning of the year - 2018	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	Uttar Pradesh Trading Co. Ltd	1283234	12.8284	-	-	1283234	12.8284
	At the End of the Year					1283234	12.8284
2	SCM Investment & Trading Co. Ltd.	1078958	10.7862	-	-	1078958	10.7862
	At the End of the Year					1078958	10.7862
3	New India Retailing And Investment Ltd	1071532	10.7120	-	-	1071532	10.7120
	At the End of the Year					1071532	10.7120
4	RTM Investment And Trading Co. Ltd.	904951	9.0467	-	-	904951	9.0467
	At the End of the Year					904951	9.0467

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions During The Year		Cumulative Shareholding At The End of The Year - 2019	
		beginning of the year - 2018	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
5	Deepshikha Trading Co Pvt Ltd	177784	1.7773	-	-	177784	1.7773
	Pursuant to scheme of amalgamation	-	-	14 Sep 2018	381345	559129	5.5896
	At the End of the Year					559129	5.5896
6	Ronson Traders Limited	327575	3.2747	-	-	327575	3.2747
	Open Market Purchase	-	-	01 Mar 2019	13140	340715	3.4061
	Open Market Purchase	-	-	08 Mar 2019	333	341048	3.4094
	Open Market Purchase	-	-	15 Mar 2019	4933	345981	3.4587
	Open Market Purchase	-	-	22 Mar 2019	12923	358904	3.5879
	Open Market Purchase	-	-	29 Mar 2019	21973	380877	3.8076
	At the End of the Year					380877	3.8076
7	Sidh Enterprises Ltd.	306658	3.0656	-	-	306658	3.0656
	At the End of the Year					306658	3.0656
8	Sonali Commercial Ltd.	257658	2.5758	-	-	257658	2.5758
	At the End of the Year					257658	2.5758
9	Yashovardhan Investment & Trading Co. Ltd.	200161	2.0010	-	-	200161	2.0010
	At the End of the Year					200161	2.0010
10	Uttam Commercial Ltd.	117643	1.1761	-	-	117643	1.1761
	At the End of the Year					117643	1.1761
11	Chandra Shekhar Nopany	28468	0.2846	-	-	28468	0.2846
	At the End of the Year					28468	0.2846
12	Rajpur Farms Limited	15315	0.1531	-	-	15315	0.1531
	At the End of the Year					15315	0.1531
13	Narkatiaganj Farms Limited	9756	0.0975	-	-	9756	0.0975
	At the End of the Year					9756	0.0975
14	Nandini Nopany	4167	0.0417	-	-	4167	0.0417
	At the End of the Year					4167	0.0417
15	The Oudh Trading Co. (P) Ltd.	477	0.0048	-	-	477	0.0048
	At the End of the Year					477	0.0048
16	Chandra Shekhar Nopany - Trustee of Shekhar Family Trust	0	0.0000	-	-	0	0.0000
	Purchased 27.03.2018 & Credited on 03.04.2018	-	-	3rd Apr 2018	258	258	0.0026
	At the End of the Year					258	0.0026
17	Chandra Shekhar Nopany - Trustee of Shekhar Family Trust	0	0.0000	-	-	0	0.0000
	Purchased 27.03.2018 & Credited on 03.04.2018	-	-	3rd Apr 2018	10	10	0.0001
	At the End of the Year					10	0.0001
18	GMB Investments Private Limited	381345	3.8123	-	-	381345	3.8123
	Pursuant to Scheme of amalgamation	-	-	07 Sep 2018	(381345)	0	0.0000
	At the End of the Year					0	0.0000

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

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	Zaki Abbas Nasser	340000	3.3989			340000	3.3989
	Sale			01 Jun 2018	(10000)	330000	3.2990
	Sale			13 Jul 2018	(10000)	320000	3.1990
	Sale			20 Jul 2018	(5000)	315000	3.1490
	Sale			10 Aug 2018	(5000)	310000	3.0990
	Sale			09 Nov 2018	(10000)	300000	2.9991
	Purchase			30 Nov 2018	20000	320000	3.1990
	Purchase			14 Dec 2018	10000	330000	3.2990
	Purchase			22 Feb 2019	2000	332000	3.3190
	Sale			15 Mar 2019	(12000)	320000	3.1990
	At the end of the year					320000	3.1990
2	Life Insurance Corporation of India	317537	3.1744			317537	3.1744
	At the end of the year					317537	3.1744
3	Porinju V Veliyath	100949	1.0092			100949	1.0092
	At the end of the year					100949	1.0092
4	Earthstone Holding (two) Private Limited	95984	0.9595			95984	0.9595
	At the end of the year					95984	0.9595
5	Rakesh Kumar Jain	66517	0.6650			66517	0.6650
	Purchase			25 May 2018	2106	68623	0.6860
	Purchase			07 Sep 2018	100	68723	0.6870
	Purchase			14 Sep 2018	2500	71223	0.7120
	Sale			12 Oct 2018	(146)	71077	0.7105
	Purchase			19 Oct 2018	1000	72077	0.7205
	Purchase			09 Nov 2018	2000	74077	0.7405
	Purchase			15 Mar 2019	3000	77077	0.7705
	At the end of the year					77077	0.7705
6	The New India Assurance Company Limited	71616	0.7159			71616	0.7159
	At the end of the year					71616	0.7159
7	Narasimha Swamy Yalamanchili	53117	0.5310			53117	0.5310
	Sale			06 Apr 2018	(500)	52617	0.5260
	Purchase			13 Apr 2018	2000	54617	0.5460
	Purchase			20 Apr 2018	500	55117	0.5510
	Purchase			27 Apr 2018	2156	57273	0.5726
	Purchase			11 May 2018	3888	61161	0.6114
	Purchase			25 May 2018	3839	65000	0.6498
	Purchase			22 Jun 2018	2068	67068	0.6705
	Purchase			06 Jul 2018	9	67077	0.6706
	Sale			13 Jul 2018	(736)	66341	0.6632
	Purchase			27 Jul 2018	1708	68049	0.6803
	Purchase			24 Aug 2018	51	68100	0.6808
	Purchase			29 Sep 2018	1179	69279	0.6926
	At the end of the year					69279	0.6926

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
8	G Shankar	0	0.0000			0	0.0000
	Purchase			13 Jul 2018	9195	9195	0.0919
	Purchase			20 Jul 2018	12900	22095	0.2209
	Purchase			27 Jul 2018	700	22795	0.2279
	Purchase			03 Aug 2018	8693	31488	0.3148
	Purchase			10 Aug 2018	10755	42243	0.4223
	Purchase			17 Aug 2018	3000	45243	0.4523
	Purchase			24 Aug 2018	1470	46713	0.4670
	Purchase			31 Aug 2018	2930	49643	0.4963
	Purchase			07 Sep 2018	2100	51743	0.5173
	Purchase			14 Sep 2018	3140	54883	0.5487
	Purchase			05 Oct 2018	371	55254	0.5524
	Purchase			12 Oct 2018	1550	56804	0.5679
	Purchase			09 Nov 2018	2374	59178	0.5916
	Purchase			16 Nov 2018	4410	63588	0.6357
	Purchase			23 Nov 2018	219	63807	0.6379
	Purchase			21 Dec 2018	260	64067	0.6405
	Purchase			25 Jan 2019	400	64467	0.6445
	Purchase			15 Feb 2019	1000	65467	0.6545
	Purchase			01 Mar 2019	1000	66467	0.6645
	Purchase			08 Mar 2019	1379	67846	0.6782
	Purchase			15 Mar 2019	100	67946	0.6792
	At the end of the year					67946	0.6792
9	Atul J Shah	61000	0.6098			61000	0.6098
	At the end of the year					61000	0.6098
10	Jeevan Kishore Bodepudi	46000	0.4599			46000	0.4599
	At the end of the year					46000	0.4599
11	B. lavanya . .	45474	0.4546			45474	0.4546
	Sale			01 Feb 2019	(17692)	27782	0.2777
	Purchase			08 Feb 2019	17692	45474	0.4546
	At the end of the year					45474	0.4546

v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
Mr. Chandra Shekhar Nopany, Chairperson *				
At the beginning of the year	28,468	0.28	-	-
Changes during the year	-	-	-	-
At the end of the year	-	-	28,468	0.28

* Resigned w.e.f 08.11.2018

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

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

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

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

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

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

V. Indebtedness

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

₹ in lakhs

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

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

(In ₹)

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

B) Remuneration to other Directors:
1. Independent Directors

(In ₹)

SI No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr .Chhedi Lal Agarwal	Mr. Arun Kumar Newar	Mr. Dinesh Kacholia	
	Fee for attending Board/Committee Meetings	45000	45000	22500	112500
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total B (1)	45000	45000	22500	112500

2. Other Non-Executive Directors

(In ₹)

SI No.	Particulars of Remuneration	Mr. Chandra Shekhar Nopany*	Mrs. Shalini Nopany	Mr. Bal Kishore Malpani#	Total Amount
	Fee for attending Board/Committee Meetings	15000	20000	5000	40000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total B (2)	15000	20000	5000	40000
	Total (B) = (B)(1)+(B)(2)				152500

*Resigned w.e.f 08.11.2018

#Appointed w.e.f 10.08.2018

VI. Remuneration of Directors and Key Managerial Personnel

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

(In ₹)

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

VII. Penalties / Punishment/ Compounding of Offences:

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

Form AOC-1

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

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

Part "A": Subsidiaries

Sl. No.	1	2	3	4	5
Name of the subsidiary	Allahabad Canning Limited	Hargaon Investment & Trading Co Ltd	OSM Investment & Trading Co Ltd	Champaran Marketing Co Ltd	Hargaon Properties Limited#
Financial Year ending on	31-03-2019	31-03-2019	31-03-2019	31-03-2019	31-03-2019
The date since when subsidiary was acquired	23-03-2017	23-03-2017	23-03-2017	23-03-2017	23-03-2017
Reporting currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-	-	-	-
Share capital	1098.46	304.57	174.04	108.73	49.99
Reserves & surplus	143.02	2830.68	1031.10	738.09	(1.36)
Total assets	2295.75	3142.12	1205.26	854.58	48.70
Total Liabilities	2295.75	3142.12	1205.26	854.58	48.70
Investments	0.01	1607.27	827.08	531.38	-
Turnover	4028.62	358.10	122.53	56.30	-
Profit/(Loss) before taxation	43.82	369.27	130.73	67.60	(0.72)
Provision for taxation	11.78	24.70	2.90	4.40	-
Profit/(Loss) after taxation	32.04	344.57	127.83	63.20	(0.72)
Proposed Dividend	NIL	NIL	NIL	NIL	NIL
Extent of shareholding (In percentage)	100%	100%	100%	100%	100%

Notes:

- #Hargaon Properties Limited is the step-down subsidiary of the Company. The Company is holding 56% through Hargaon Investment & Trading Co. Ltd and 44% through Champaran Marketing Co. Ltd.

Part "B": Associates and Joint Ventures

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

The Company has no Associates/Joint Ventures

Place: Kolkata	Chand Bihari Patodia	Bal Kishore Malpani	Deepak Kumar Sharma	Mayuri Raja
Date: 10th May, 2019	Managing Director DIN-01389238	Director DIN-00209006	Chief Financial Officer	Company Secretary

Independent Auditors' Report

To the Members of
Palash Securities Limited

Report on the Financial Statements

We have audited the accompanying Standalone financial statements of **PALASH SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, the Cash Flow Statement and the 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 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 accounting principles generally accepted in India, of the financial position of the Company as at 31st March, 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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 and Shareholder information, etc., but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rule, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone 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 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 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 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 financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanation given to us, no remuneration paid by the company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which will impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Place: Kolkata
Date: 10th May, 2019

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

Annexure – A

to the Independent Auditors' Report on the Financial Statements of Palash Securities Limited as on 31st March 2019

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the financial statements as on 31 March, 2019)

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

We have audited the internal financial controls over financial reporting of Palash Securities Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These

responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chetan Kumar Nathani
Partner
Membership No. – 310904

Place: Kolkata
Date: 10th May, 2019

Annexure – B

to the Independent Auditors' Report on the Financial Statements of Palash Securities Limited as on 31st March 2019

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Palash Securities Limited on the financial statements as on 31 March, 2019)

I. In respect of Fixed Assets:

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset.
- b) Fixed Assets were physically verified by the management during the year in accordance with planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regards to the size to the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given by the management, the title deeds of the properties included in Property, Plant & Equipment are transferred to the Company pursuant to the Scheme of arrangement and are yet to be registered in the name of the Company.

II. The Company does not have any inventory and hence paragraph 3(ii) of the Order is not applicable.

III. The company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the registered maintained under section 189 of the companies Act, 2013. Hence Paragraph 3 (iii) of the order is not applicable.

IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Companies Act 2013, with respect to the investments made and company has not made any Loan.

V. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, Paragraph 3 (v) of the order is not applicable.

VI. The company is not required to maintain cost records under as per section 148 (1) of Companies Act, 2013.

VII. In respect of Statutory dues:

- a) The company is regular in depositing undisputed statutory dues with the appropriate authorities including income tax, service tax, and duty of custom, duty of excise; value added tax, cess or any other statutory dues.
- b) There are no statutory dues which are disputed; hence this clause is not applicable on the Company

VIII. There are no loans and borrowing taken from financial institutions, banks, Government or from debenture holders. Hence, Paragraph 3(viii) of the order is not applicable on the Company.

IX. The company has not raised any money by the way of initial public offer or further public offer and term loans. Accordingly, paragraph 3(ix) of the order is not applicable

X. No fraud by /on the Company by its officers or employees has been noticed or reported during the year nor have we been informed about any of such case by the management;

XI. Managerial Remuneration has not been paid or provided during the year. Accordingly, paragraph 3(xi) of the clause is not applicable.

XII. The company is not a Nidhi Company. Hence, paragraph 3(xii) of the order is not applicable to company.

XIII. All the transactions with the related parties are in compliance with the sections 177 and 188 of the Companies Act, 2013, wherever applicable and the details have been disclosed in the financial statements, as required by the applicable Accounting Standard.

XIV. The company has not made any preferential allotment or private placement of shares or Fully or Partly convertible debentures during the year. Hence, paragraph 3(xiv) of the order is not applicable on the company.

XV. The Company has not entered into any non-cash transactions with the directors or persons connected with him/her as referred to in section 192 of Companies Act, 2013

XVI. The Company is not required to registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Chetan Kumar Nathani
Partner
Membership No. – 310904

Place: Kolkata
Date: 10th May, 2019

Audited Balance Sheet as on 31 March 2019

₹ in lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	5	1,130.31	1,130.31
Reserves and Surplus	6	1,007.01	999.85
		2,137.32	2,130.16
Non-Current Liabilities			
Other non current liabilities	7	80.00	95.00
		80.00	95.00
Current Liabilities			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
Other current liabilities	8	22.57	21.42
		22.57	21.42
Total		2,239.89	2,246.58
ASSETS			
Non-current Assets			
Fixed Assets			
Property, Plant & Equipment	9(i)	44.75	39.81
Capital Work in Progress	9(ii)	-	7.21
Non-current Investments	10	2,176.04	2,176.04
		2,220.79	2,223.06
Current Assets			
Cash and bank balances	12	14.08	19.59
Loans and advances	11	5.02	3.93
		19.10	23.52
Total		2,239.89	2,246.58
Summary of significant accounting policies	4		

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

In terms of our report of even date attached

For **Agrawal Subodh & Co.**

Firm Registration No.: 319260E

Chartered Accountants

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 10.05.2019

For and on behalf of the Board of Directors

Chand Bihari Patodia

Managing Director

DIN : 01389238

Bal Kishore Malpani

Director

DIN : 00209006

Deepak Kumar Sharma

Chief Financial Officer

Mayuri Raja

Company Secretary

Statement of Profit and Loss for the year ended 31 March 2019

₹ in lakhs

	Notes	For the Year ended 31 March 2019	For the Year ended 31 March 2018
INCOME			
Revenue from Operations	13	0.40	0.57
Other Income	14	36.89	20.71
Total (I)		37.29	21.28
EXPENSES			
Other expenses	15	26.21	55.52
Total (II)		26.21	55.52
Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]		11.08	(34.24)
Depreciation and amortization expenses	16	2.27	2.25
Profit / (Loss) before tax		8.81	(36.49)
Current tax		1.65	-
Deferred tax charge		-	-
Total tax expenses		1.65	-
Profit (Loss) after tax		7.16	(36.49)
Earnings per equity share	17		
[Nominal value of share ₹10]			
Basic & Diluted		(0.06)	(0.50)
Summary of significant accounting policies	4		

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

In terms of our report of even date attached

For **Agrawal Subodh & Co.**

Firm Registration No.: 319260E

Chartered Accountants

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 10.05.2019

For and on behalf of the Board of Directors

Chand Bihari Patodia

Managing Director

DIN : 01389238

Bal Kishore Malpani

Director

DIN : 00209006

Deepak Kumar Sharma

Chief Financial Officer

Mayuri Raja

Company Secretary

Cash Flow Statement for the year ended 31 March 2019

₹ in lakhs

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	8.81	(36.49)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation and Amortization expenses	2.27	2.25
Gain on tangible assets sold / discarded (net)	-	-
Operating Profit / (Loss) before Working Capital Changes :	11.08	(34.24)
Increase/(Decrease) in Trade Payables	-	-
Increase/(Decrease) in Other Liabilities	(13.85)	63.24
(Increase)/Decrease in Current Loans & Advances	(1.09)	(2.21)
Cash Generated from the operations	(3.86)	26.79
Direct Taxes Paid (Net of refunds)	(1.65)	-
Net Cash used in Operating Activities	(5.51)	26.79
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
WIP/Fixed Assets	-	(7.22)
Net Cash from Investing Activities	-	(7.22)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of Equity Shares	-	-
Net Cash used in Financing Activities	-	-
Net Changes in Cash & Cash Equivalents (A+B+C)	(5.51)	19.57
Cash & Cash Equivalents at the beginning of the year	19.59	0.02
Cash & Cash Equivalents at the end of the year *	14.08	19.59

* represents Cash and Bank Balances as indicated in note 12.

For **Agrawal Subodh & Co.**

Firm Registration No.: 319260E

Chartered Accountants

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 10.05.2019

For and on behalf of the Board of Directors

Chand Bihari Patodia

Managing Director

DIN : 01389238

Deepak Kumar Sharma

Chief Financial Officer

Bal Kishore Malpani

Director

DIN : 00209006

Mayuri Raja

Company Secretary

Notes to financial statements as at and for the year ended 31 Mar 2019

1. Corporate Information

Palash Securities Limited (the Company) was incorporated on 23rd March, 2015 as a Subsidiary Company of The Oudh Sugar Mills Limited (OSML). With the objective of business realignment of OSML and Upper Ganges Sugar & Industries Limited (UGSIL), a composite scheme of arrangement had been filed with the Hon'ble High Court of Allahabad to transfer the Food Processing and Investment business undertaking of OSML to the Company and thereafter to transfer the Food Processing business undertaking of the Company to Allahabad Canning Limited (ACL) from the appointed date i.e. 1st April, 2015, which has been approved by the National Company Law Tribunal.

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

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 under the historical cost convention except for impact of Scheme of Arrangement taken at fair value as detailed in Note 2(ii) below and on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policies explained below.

3. Scheme of Arrangement

- a) As per the Composite Scheme of Arrangement ("the scheme") approved by the National Company Law Tribunal, all the assets and liabilities of the food processing and investment business undertakings of OSML had been transferred to and vested in the Company at their respective book values and thereafter the food processing business undertaking of the Company present in the state of Uttar Pradesh had been transferred to and vested in ACL at their respective book values as on 1st April, 2015 on a going concern basis from appointed date i.e. 1st April, 2015.

As per the scheme, appointed date as approved by the National Company Law Tribunal was 1st April, 2015 and effective date is 23rd March, 2017 being the date on which the certified copy of the order sanctioning the said scheme was filed with the Registrar of Companies, Kanpur, Uttar Pradesh and Uttarakhand in accordance with the Companies Act, 1956 and applicable provisions of Companies Act, 2013. Accordingly, all related adjustments thereof had been given effect to in the accounts during the previous financial years.

- b) Pursuant to the scheme above, in the previous financial year, the Company had issued 1,00,03,102 fully paid up equity shares of ₹ 10 each to the shareholders of OSML as per Record date 23.03.2017, aggregating to ₹ 1,000.31 lakhs, in the ratio of 27 equity shares of the face value of ₹ 10 each of the Company for every 70 equity shares of the face value of ₹ 10 each held in OSML.

Further, the Company had issued 13,00,000 fully paid up 8.5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each to the preference shareholders of OSML, aggregating to ₹ 130 lakhs on the same terms and conditions.

Further the Company had received 1,09,34,588 fully paid up equity shares of ₹ 10 each from ACL, aggregating to ₹ 1,093.46 lakhs, as consideration for the transfer of food processing business undertaking. The aforesaid shares of ACL have been shown as Non-current Investment in the Balance Sheet.

4. Summary of Significant Accounting Policies

a) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)

b) Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties, taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on an existing fixed asset, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Machinery spares which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

c) Depreciation on Tangible Fixed Assets

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on fixed assets is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Class of Assets	Useful Lives estimated by the management (Years)
Non-factory Buildings	5 to 60
Plant and Equipments	15
Computer and Data Processing Equipments	3 to 6
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipments	5

Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition/ disposal.

d) Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value of the leased property and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)

e) Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend income is recognized when the shareholders' right to receive the payment is established by the reporting date.

i) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)

j) Earnings Per Share

Basic Earning 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 earning per share, net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

k) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

l) Provisions

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimate required to settle the obligation, at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

m) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

5. Share Capital

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
(a) Authorised shares		
1,35,00,000 Equity Shares of ₹10 each	1,350.00	1,350.00
15,00,000 Preference Shares of ₹10 each	150.00	150.00
	1,500.00	1,500.00
(b) Issued, subscribed and fully paid-up shares		
1,00,03,102 Equity Shares of ₹ 10 each	1,000.31	1,000.31
13,00,000 Preference Shares of ₹ 10 each	130.00	130.00
	1,130.31	1,130.31

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

₹ in lakhs

	31st March, 2019		31st March, 2018	
	No.	(₹) in Lakhs	No.	(₹) in Lakhs
Equity Shares of ₹ 10/- each				
Outstanding at the beginning of the Period	1,00,03,102	1000.31	10003102	1,000.31
Shares Issued / Cancelled / Changes	-	-	-	-
Outstanding at the end of the Period	10003102	1,000.31	10003102	1,000.31

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)

5. Share Capital (Contd.)

Preference Shares

₹ in lakhs

	31st March, 2019		31st March, 2018	
	No.	(₹) in Lakhs	No.	(₹) in Lakhs
Preference Shares of ₹10/- each				
Outstanding at the beginning of the Period	13,00,000	130.00	13,00,000	130.00
Issued pursuant to the scheme	-	-	-	-
Outstanding at the end of the Period	1300000	130.00	1300000	130.00

Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid on the shares held by them.

Terms of redemption of 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 2nd August, 2023 being twelve years and one day from the date of the original allotment i.e. 1st August, 2011 with a right vested to the Board of Directors to redeem it earlier, subject to consent of the lender.

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.

(d) Details of shareholders holding more than 5% shares in the Company

Equity Shares of ₹10.00 each fully paid

₹ in lakhs

	31st March, 2019		31st March, 2018	
	No.	% holding	No.	% holding
Uttar Pradesh Trading Co. Limited	1283234	12.83%	1283234	12.83%
SCM Investment & Trading Co. Limited	1078958	10.79%	1078958	10.79%
New India Retailing & Investment Limited	1071532	10.71%	1071532	10.71%
RTM Investment & Trading Co. Limited	904951	9.05%	904951	9.05%
Deepshikha Trading Co Private Ltd	559129	5.59%	N.A	N.A

(e) Details of Preference shareholders holding more than 5% shares in the Company

Preference Shares of ₹ 10.00 each fully paid

	31st March, 2019		31st March, 2018	
	No.	% holding	No.	% holding
Sutlej Textile & Industries Limited	13,00,000	100.00%	13,00,000	100.00%

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)

6. Reserves and Surplus

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Capital Reserve		
Arisen pursuant to Scheme of Arrangement	1,635.40	1,635.40
Surplus / (Deficit) in the Statement of Profit or Loss		
Balance as per last financial statements	(635.55)	(599.06)
Profit / (Loss) for the year	7.16	(36.49)
Net Surplus / (Deficit) in the Statement of Profit or Loss	(628.39)	(635.55)
Total Reserves and Surplus	1,007.01	999.85

7. Non Current liabilities

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Security & Other Deposits	80.00	95.00
	80.00	95.00

8. Other current liabilities

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
Other Liabilities	22.57	21.42
Total	22.57	21.42

9(i). Property, Plant & Equipment

₹ in lakhs

	Free Hold Land	Buildings	Plants and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross block							
At 1 April 2018	9.89	28.39	10.94	17.32	0.20	1.39	68.13
Additions	-	7.21	-	-	-	-	7.21
Disposals	-	-	-	-	-	-	-
At 31 March 2019	9.89	35.60	10.94	17.32	0.20	1.39	75.34
Depreciation							
At 1 April 2018	-	10.20	7.95	8.67	0.18	1.32	28.32
Charge for the Quarter	-	0.37	0.32	1.56	0.02	-	2.27
Disposals	-	-	-	-	-	-	-
At 31 March 2019	-	10.57	8.27	10.23	0.20	1.32	30.59
Net block							
At 1 April 2018	9.89	18.19	2.99	8.65	0.02	0.07	39.81
At 31 March 2019	9.89	25.03	2.67	7.09	-	0.07	44.75

The title deeds of immovable property are transferred to company pursuant to scheme of arrangement (Refer Note 3 to the Financial Statements) and are yet to be registered in the name of the transferee Company.

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)

9(ii). Capital Work in Progress

₹ in lakhs

	31 March 2019	31 March 2018
Balance brought forward from the previous year	7.21	7.21
Additions	-	-
	7.21	7.21
Less: Transfer to Tangible Assets during the period	7.21	-
Balance carried to Balance Sheet	-	7.21
(WIP transferred to Building, being related to expenses incurred at Gangotri House, Uttarakhand)		

10. Non-current investments

₹ in lakhs

	Number of Units / shares	Face value Per Unit / share	As at 31 March 2019	As at 31 March 2018
Non Trade				
(valued at cost unless stated otherwise)				
Quoted (fully paid)				
In Equity Instruments				
Avadh Sugar & Energy Limited	6,807	10.00	-	-
Ganges Securities Limited	16,060	10.00	13.23	13.23
Magadh Sugar & Energy Limited	14,456	10.00	-	-
			13.23	13.23
Unquoted (fully paid)				
In Equity Instruments				
In Subsidiary Companies				
Champaran Marketing Co. Ltd.	43,49,000	2.50	192.96	192.96
Hargaon Investment & Trading Co. Ltd.	30,45,727	10.00	609.14	609.14
OSM Investment & Trading Co. Ltd.	17,40,418	10.00	261.06	261.06
Allahabad Canning Ltd.	1,09,84,588	10.00	1,098.46	1,098.46
			2,161.62	2,161.62
In Other Companies (un-listed)				
Bihar State Financial Corporation Ltd.	70	100.00	0.07	0.07
Moon Corporation Ltd. ('A' Class)	745	100.00	0.77	0.77
Moon Corporation Ltd. ('B' Class)	2,502	5.00	0.13	0.13
Birla Building Ltd.	1,920	10.00	0.19	0.19
The Oudh Trading Co. Pvt. Ltd.	25	100.00	0.03	0.03
A.P.V. Texmaco Ltd. (in liquidation)	28,750	10.00	-	-
			1.19	1.19
Total			2,176.04	2,176.04
Aggregate amount of quoted investments			13.23	13.23
Aggregate amount of unquoted investments			2,162.81	2,162.81
Market Value of Quoted Investments			56.46	58.99

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)**11. Loans and advances**

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good except stated otherwise)		
Advances recoverable in cash or in kind or for value to be received or pending adjustments	5.02	3.93
Total	5.02	3.93

12. Cash and bank balances

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Balance with banks		
On current accounts	12.03	19.57
Cheques / drafts on hand	2.03	-
Cash on hand	0.02	0.02
Total	14.08	19.59

13. Revenue from operations

₹ in lakhs

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Revenue from operations		
Dividend Income		
On Long-term investments	0.40	0.57
Total	0.40	0.57

14. Other income

₹ in lakhs

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Rent and hire charges	36.89	20.71
Total	36.89	20.71

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)

15. Other expenses

₹ in lakhs

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Rates & Taxes	2.17	1.56
Insurance	0.17	-
Payment to Statutory Auditors (Audit & LR)	1.60	1.60
Payment to Statutory Auditors - In Other Capacity	1.00	1.00
Advertisement	0.70	2.57
Listing Fees	6.95	13.45
Director Fees	1.53	1.38
Filing Fees	0.06	0.32
Maintenance Charges	5.18	22.75
Postage & Telegram	1.80	3.00
Professional Fees	1.82	3.58
Printing & Stationery	3.13	3.78
Depository Charges	0.07	-
Miscellaneous expenses	0.03	0.53
Total	26.21	55.52

16. Depreciation and amortisation expenses

₹ in lakhs

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Depreciation of tangible assets	2.27	2.25
Total	2.27	2.25

17. Earning per share (EPS)

₹ in lakhs

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Profit / (Loss) after tax	7.16	(36.49)
Dividend on Non-Convertible Cumulative Redeemable Preference Share & tax thereon	13.47	13.30
Net profit / (loss) for calculation of basic and diluted EPS	(6.31)	(49.79)
	Nos.	Nos.
Weighted average number of equity shares in calculating basic & diluted EPS	1,00,03,102	1,00,03,102
	₹	₹
Earning per equity share (Nominal value of share ₹10)		
Basic & Diluted	(0.06)	(0.50)

18. Contingent liabilities

₹ in lakhs

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Arrear Dividend (including dividend distribution tax) on Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)	102.16	88.69
Total	102.16	88.69

Notes to financial statements as at and for the year ended 31 Mar 2019 (Contd.)

19. Related Party Disclosures:

Names of related parties and related party relationship

Related parties where control exists

Wholly owned Subsidiary Companies

Allahabad Canning Ltd
 Champaran Marketing Co. Ltd.
 Hargaon Investment & Trading Co. Ltd.
 OSM Investment & Trading Co. Ltd.
 Hargaon Properties Limited - Step Down Subsidiary

Related parties with whom transactions have taken place during the year

Key Management Personnel

Shri Chandra Shekhar Nopany - Director (Resigned on 08/11/2018)
 Shri Shalini Nopany - Director
 Shri Chand Bihari Patodia - Managing Director
 Shri Deepak Kumar Sharma - Chief Financial Officer
 Ms Mayuri Raja - Company Secretary

Relatives of Key Management Personnel

Smt Nandini Nopany - Mother of Shri Chandra Shekhar Nopany

Enterprises owned or significantly influenced by
 Key Management Personnel or their relatives

Avadh Sugar & Energy Limited
 Magadh Sugar & Energy Limited
 Sutlej Textiles & Industries Limited

Transaction With Related parties

a) Security Deposit

₹ in lakhs

Name	Year ended	Amount owed by Related Parties	Amount owed to Related parties
Avadh Sugar & Energy Ltd	31.03.2019	NIL	70.00
	31.03.2018	NIL	85.00
Sutlej Textiles & Industries Ltd.	31.03.2019	NIL	10.00
	31.03.2018	NIL	10.00

b) Other Receipts

₹ in lakhs

Name	Year ended	Rent Received	Dividend Received
Avadh Sugar & Energy Ltd	31.03.2019	10.00	0.07
	31.03.2018	5.00	0.14
Sutlej Textiles & Industries Ltd.	31.03.2019	10.00	NIL
	31.03.2018	5.00	NIL
Magadh Sugar & Energy Ltd	31.03.2019	15.00	0.14
	31.03.2018	7.50	0.29

20. Previous year's figures including those given in brackets have been regrouped / rearranged wherever necessary.

For **Agrawal Subodh & Co.**

Firm Registration No.: 319260E

Chartered Accountants

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 10.05.2019

For and on behalf of the Board of Directors

Chand Bihari Patodia

Managing Director

DIN : 01389238

Deepak Kumar Sharma

Chief Financial Officer

Bal Kishore Malpani

Director

DIN : 00209006

Mayuri Raja

Company Secretary

Independent Auditor's Report on Consolidated Financial Statement

To the Members of
Palash Securities Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PALASH Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at 31st March, 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter Paragraph

We did not audit the financial statements of any subsidiaries (except Champaran Marketing Company Limited), whose financial statements reflect total assets of ₹ 6691.83 Lakhs as at 31st March 2019, total revenue of ₹ 1144.83 Lakhs and net cash inflows amounting to ₹ 591.38 Lakhs for the year ended on that date, as considered in the consolidated 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 subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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 holding company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, for example, Board of Director's Report, Report on Corporate Governance, Management Discussion & Analysis Report and Shareholder information, etc., but does not include the financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rule, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 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 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 Consolidated 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 financial statements, including the disclosures, and whether the Consolidated 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the "Other Matter" paragraph, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rule 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid to its directors during the year is within the limits of the provision of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Financial Statements disclose the impact of pending litigation of the financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

Chetan Kumar Nathani
Partner
Membership No. – 310904

Place: Kolkata
Date: 10th May, 2019

Annexure – A

to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Palash Securities Ltd.

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

In conjunction with our audit of the consolidated financial statements of Palash Securities Limited as of and for the year ended March 31, 2019 we have audited the internal financial controls over financial reporting of Palash Securities Ltd (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external 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 authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the holding company and its subsidiary companies which are companies incorporated in India, have, in all material respects, maintained in generally adequate internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

Place: Kolkata
Date: 10th May, 2019

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

Chetan Kumar Nathani
Partner
Membership No. – 310904

Consolidated Balance Sheet as on 31 March 2019

₹ in lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	5	1,130.31	1,130.31
Reserves and Surplus	6	5,272.73	4,698.65
		6,403.04	5,828.96
Non-current Liabilities			
Other long-term Liabilities	7	126.55	163.64
Long-term provisions	8	34.12	33.20
		160.67	196.84
Current Liabilities			
Short-term borrowings	9	263.82	454.81
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	10	11.02	11.61
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10	508.19	432.29
Other current liabilities	10	152.87	127.43
Short term provisions	8	75.09	78.19
		1,010.99	1,104.33
Total		7,574.70	7,130.13
ASSETS			
Non-current Assets			
Fixed Assets			
(i) Property, Plant & Equipment	11	304.05	309.47
(ii) Capital work in progress	12		7.21
Investments	13	2,930.15	3,430.15
Loans and advances	14	2.69	2.69
Other assets	16.2	1.28	0.80
		3,238.17	3,750.32
Current Assets			
Inventories	15	1,337.81	1,231.89
Trade Receivables	16.1	556.31	435.50
Cash and bank balances	17	1,328.17	488.20
Loans and advances	14	1,086.66	1,192.14
Other assets	16.2	27.58	32.08
		4,336.53	3,379.81
Total		7,574.70	7,130.13
Summary of significant accounting policies	4		

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

As per our report of even date

For **Agrawal Subodh & Co.**

Firm Registration No.: 319260E

Chartered Accountants

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 10.05.2019

For and on behalf of the Board of Directors

Chand Bihari Patodia

Managing Director

DIN : 01389238

Deepak Kumar Sharma

Chief Financial Officer

Bal Kishore Malpani

Director

DIN : 00209006

Mayuri Raja

Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

₹ in lakhs

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Revenue from Operations (gross)	18	4,565.95	4,300.06
Less : Excise duty		-	10.05
Revenue from Operations (net)		4,565.95	4,290.01
Other Income	19	122.39	51.14
Total Revenue (I)		4,688.34	4,341.15
EXPENSES			
Cost of Raw Materials consumed	20	900.17	728.62
Purchase of Traded Goods	21	1,010.40	755.79
Decrease / (Increase) in inventories of Finished Goods, Traded Goods and Goods under Process	21	(119.29)	44.76
Employee benefits expenses	22	651.92	568.75
Other expenses	23	1,568.81	1,404.47
Total (II)		4,012.01	3,502.39
Profit / (Loss) before finance costs, tax, depreciation and amortization [(I) - (II)]		676.33	838.76
Depreciation and amortization expenses	24	16.96	17.65
Finance Costs	25	39.85	289.74
Profit / (Loss) before tax		619.52	531.37
Current tax		44.65	12.54
Provision for Tax for ealier year		0.79	0.29
Total tax expenses		45.44	12.83
Profit / (Loss) after tax		574.08	518.54
		₹	₹
Earnings per equity share	26		
[Nominal value of share ₹ 10 (₹ 10)]			
Basic & Diluted		5.60	5.05
Summary of significant accounting policies	4		

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

As per our report of even date

For **Agrawal Subodh & Co.**

Firm Registration No.: 319260E

Chartered Accountants

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 10.05.2019

For and on behalf of the Board of Directors

Chand Bihari Patodia

Managing Director

DIN : 01389238

Bal Kishore Malpani

Director

DIN : 00209006

Deepak Kumar Sharma

Chief Financial Officer

Mayuri Raja

Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2019

₹ in lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (Loss) before tax	619.52	531.37
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation and Amortization expenses	16.96	17.65
Dividend and Interest income	-537.33	-914.31
Finance Cost	39.85	289.74
Provision for warranties and claims	5.01	4.34
Upsent liabilities, provision no longer required	(24.22)	(17.10)
Operating Profit / (Loss) before Working Capital Changes :	119.79	(88.31)
Increase / (Decrease) in Trade and other payables	86.92	(74.79)
(Increase) / Decrease in Trade and other Receivables	(120.81)	(64.39)
(Increase) / Decrease in Inventories	(105.92)	34.98
Increase / (Decrease) in Provision	(3.10)	(7.98)
Increase / (Decrease) in Current Liabilities	25.44	(30.29)
(Increase) / Decrease in Other Current Assets	4.50	17.37
Increase / (Decrease) in Current Loans and Advances	105.48	2,770.01
Cash Generated from Operation	112.30	2,556.60
Direct taxes paid	(49.86)	(12.83)
Net Cash used in Operating Activities	62.44	2,543.77
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Dividend received	454.77	604.53
Interest received	82.56	309.78
Proceeds from purchase/sale of investments	500.00	486.81
Proceeds from purchase/sale of fixed assets/WIP	7.21	(12.78)
Net Cash from Investing Activities	1,044.54	1,388.34
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Long Term Deposits Taken/(given)	(36.17)	104.69
Loan received/(Paid)	-	3.17
Interest Paid	(39.85)	(289.74)
Proceeds from Short Term Borrowings	(190.99)	(3,636.23)
Net Cash used in Financing Activities	(267.01)	(3,818.11)
Net Changes in Cash & Cash Equivalents (A+B+C)	839.97	113.80
Cash & Cash Equivalents at the beginning of the year	488.20	374.40
Cash & Cash Equivalents at the end of the year *	1,328.17	488.20

* represents Cash and Bank Balances as indicated in note 17.

For **Agrawal Subodh & Co.**

Firm Registration No.: 319260E

Chartered Accountants

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 10.05.2019

For and on behalf of the Board of Directors

Chand Bihari Patodia

Managing Director

DIN : 01389238

Bal Kishore Malpani

Director

DIN : 00209006

Deepak Kumar Sharma

Chief Financial Officer

Mayuri Raja

Company Secretary

Notes to consolidated financial statements as at and for the year ended 31 March 2019

1. Principles of consolidated financial statements

The consolidated financial statements of Palash Securities Limited ("Company") and its subsidiary companies (collectively referred as "Group") have been prepared on the following basis :

- The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized profit/loss included therein in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements".
- 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 separate financial statements.
- The difference between the cost of the Company's investments in the subsidiaries and their respective equity as on the date of investment is treated as Goodwill / Capital Reserve, as the case may be, in the consolidated financial statements.
- The Subsidiary Companies, being subsidiary pursuant to the composite scheme of arrangement became effective, considered in the financial statements are as follows:

Name	Country of Incorporation	% of voting power / ownership as on	
		31/03/19	31/03/18
Allahabad Canning Limited	India	100	100
Hargaon Investment & Trading Company Limited	India	100	100
OSM Investment & Trading Company Limited	India	100	100
Champan Marketing Company Limited	India	100	100
Hargaon Properties Limited	India	100	100

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on an accrual basis under the historical cost convention.

3. Scheme of Arrangement

As per the Composite Scheme of Arrangement ("the Scheme") approved by the National Company Law Tribunal, all the assets and liabilities of the food processing and investment business undertakings of OSML have been transferred to and vested in the Company at their respective book values and thereafter the food processing business undertaking of the Company present in the state of Uttar Pradesh have been transferred to and vested in Allahabad Canning Limited (ACL) at their respective book values as on 1st April, 2015 on a going concern basis from appointed date i.e. 1st April, 2015.

As per the scheme, appointed date as approved by the National Company Law Tribunal was 1st April, 2015 and effective date was 23rd March, 2017 being the date on which the certified copy of the order sanctioning the said scheme was filed with the Registrar of Companies, Kanpur in accordance with the Companies Act, 1956 and applicable provisions of Companies Act, 2013. Accordingly, all related adjustments thereof has been given effect to accounts during the previous financial years.

4. Summary of Significant Accounting Policies

a) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties, taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of Property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on an existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Items of spares & stores that meet the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life.

c) Depreciation on Property, plant and equipments

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on Property, plant and equipment is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its Property, plant and equipment.

Class of Assets	Useful Lives estimated by the management (Years)
Non-factory Buildings	5 to 60
Plant and Equipments	15
Computer and Data Processing Equipments	3 to 6
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipments	5

Depreciation on Property, plant and equipment added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

d) Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value of the leased property and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

e) Borrowing Costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

h) Inventories

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

Goods under process, Finished goods and Standing crop are valued at lower of cost and net realizable value. Goods under process 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.

By products, Country crop and Saleable scraps, whose cost is not identifiable, are valued at estimated net realizable value.

Net realizable 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.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend income is recognized when the shareholders' right to receive the payment is established by the reporting date.

Insurance and other claims, Interest on doubtful loans and advances to cane growers and Compensation receivable in respect of land surrendered to / acquired by the Government due to uncertainty in realisation, are accounted for on acceptance basis.

j) Retirement and other Employee Benefits

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Group has no obligation other than contributions to the respective funds. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the selected service.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method done at the end of each financial year.

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

Short term compensated absences are provided for based on estimates.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

k) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

l) Segment Reporting

Identification of segments

The Group has identified that its operating segments are the primary segments. The Group's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Group are located.

Allocation of common costs

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

m) Earnings Per Share

Basic Earning 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 earning per share, net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

n) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

o) Provisions

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimate required to settle the obligation, at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

p) Foreign Currency Transactions and Derivatives

- a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities relating to foreign currency transactions are translated at year end exchange rates. The difference in translation and realised gains/losses are recognised in Statement of Profit and Loss.
- b) In respect of items covered by foreign exchange contracts, the premium or discount arising at the date of inception of such a forward exchange contract is amortised as expenses or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised in Statement of Profit and Loss.

q) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r) Proposed Dividend

Dividend recommended/declared after the Balance Sheet Date but before the Financial Statements are approved by Shareholders in the General Meeting are not recognized as a liability at the Balance Sheet Date because no obligation exists at the Balance Sheet Date. Such Dividend is disclosed in the Notes.

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

5. Share Capital

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Authorised:		
1,35,00,000 (1,35,00,000) Equity Shares of ₹ 10 each	1,350.00	1,350.00
15,00,000 (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 (1,00,03,102) Equity Shares of ₹ 10 each	1,000.31	1,000.31
13,00,000 (13,00,000) Preference Shares of ₹ 10 each	130.00	130.00
	1,130.31	1,130.31

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

Equity Shares

	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	(₹) in Lakhs	No. of shares	(₹) in Lakhs
Equity Shares of ₹10/- each				
Outstanding at the beginning of the year	1,00,03,102	1000.31	1,00,03,102	1,000.31
Shares Cancelled / issued	-	-	-	-
Outstanding at the end of the Year	1,00,03,102	1,000.31	1,00,03,102	1,000.31

Preference Shares

	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	(₹) in Lakhs	No. of shares	(₹) in Lakhs
Preference Shares of ₹10/- each				
Outstanding at the beginning of the Year	13,00,000	130.00	13,00,000	130.00
Shares Cancelled / issued	-	-	-	-
Outstanding at the end of the Year	13,00,000	130.00	13,00,000	130.00

(b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid on the shares held by them.

(c) Terms of redemption of Preference Shares

The Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) carries dividend @ 8.50% per annum.

NCCRPS shall be redeemable at par on 2nd August, 2023 being twelve years and one day from the date of the original allotment i.e. 1st August, 2011 with a right vested to the Board of Directors to redeem it earlier, subject to consent of the lender.

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 consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

5. Share Capital (Contd.)

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
Uttar Pradesh Trading Company Limited	12,83,234	12.83%	12,83,234	12.83%
SCM Investment & Trading Company Limited	10,78,958	10.79%	10,78,958	10.79%
New India Retailing & Investment Limited	10,71,532	10.71%	10,71,532	10.71%
RTM Investment & Trading Company Limited	9,04,951	9.05%	9,04,951	9.05%
Deepshikha Trading Co Private Ltd	5,59,129	5.59%	-	-
NCCRPS of ₹ 10/- each fully paid				
Sutlej Textile and Industries Limited	13,00,000	100.00%	13,00,000	100.00%

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

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Equity shares allotted as fully paid-up pursuant to the Scheme	-	-	1,000.31
Preference shares allotted as fully paid-up pursuant to the Scheme	-	-	130.00

6. Reserves and Surplus

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Capital Reserve		
Balance as per last financial statements	1,645.66	1,645.66
Add : Arisen pursuant to the Scheme	-	-
Add : Transfer pursuant to the Scheme	-	-
	1,645.66	1,645.66
Capital Redemption Reserve		
Balance as per last financial statements	45.00	45.00
	45.00	45.00
General Reserve		
Balance as per last financial statements	324.50	324.50
	324.50	324.50
Reserve Fund		
Balance as per last financial statements	737.84	626.95
Add: Transfer from surplus in the statement of Profit & Loss for the year	107.40	110.89
	845.24	737.84
Surplus / (Deficit) in the Statement of Profit or Loss		
Balance as per last financial statements	1,945.65	1,538.20
Profit / (Loss) for the year	574.08	518.34
Less : Transfer to Reserve Fund for the year	107.40	110.89
Net Surplus / (Deficit) in the Statement of Profit or Loss	2,412.33	1,945.65
Total Reserves and Surplus	5,272.73	4,698.65

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

7. Other Long-term Liabilities

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Trade and other deposits	126.55	163.64
	126.55	163.64

8. Provisions

₹ in lakhs

	Long-term		Short-term	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits				
Gratuity (Note 27)	34.12	33.20	24.61	27.14
Leave	-	-	31.94	32.13
	34.12	33.20	56.55	59.27
Other provisions				
For income tax (net)	-	-	-	-
For warranties	-	-	4.23	4.61
For standard assets	-	-	14.31	14.31
	-	-	18.54	18.92
	34.12	33.20	75.09	78.19

Provision for warranties

A provision is recognized for expected warranty claims on products based on the management's estimate computed on the basis of past experience. It is expected that the entire provision will be utilized within one year of the reporting date, since the warranty is generally for one year. The table below gives information about movement in warranties provisions.

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
At the beginning of the year	4.61	6.06
Add : Additions during the year	5.01	4.34
Less : Utilized / written back during the year	(5.39)	(5.79)
At the end of the year	4.23	4.61

9. Short-term Borrowings

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Cash credit from a bank (secured) (repayable on demand)	263.82	104.81
Inter-Corporate Deposits		
From a related party	-	350.00
	263.82	454.81

Cash Credit limit from a bank, carry interest rate of I-MCLR-6M + spread of 2.10% p.a , is secured by way of hypothecation of the entire current assets of the Allahabad Canning Ltd (subsidiary).

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

10. Other Current Liabilities

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	11.02	11.61
- Total outstanding dues of creditors other than micro enterprises and small enterprises	508.19	432.29
	519.21	443.90
Other Liabilities		
Advance against Sales	88.67	40.63
Payable to employees	26.30	70.81
Other Payables	37.90	15.99
	152.87	127.43
	672.08	571.33

11. Property, Plant and Equipment

₹ in lakhs

	Freehold Land *	Buildings	Plants and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross block								
At 1 April 2017	118.19	137.24	160.03	12.73	23.13	19.21	1.49	472.02
Additions during the year	-	-	-	0.66	-	4.91	-	5.57
Disposals during the year	-	-	-	-	-	-	-	-
At 31 March 2018	118.19	137.24	160.03	13.39	23.13	24.12	1.49	477.59
Additions during the year	-	7.21	1.92	2.16	-	-	0.25	11.53
Disposals during the year	-	-	-	-	-	-	-	-
At 31 March 2019	118.19	144.45	161.95	15.55	23.13	24.12	1.74	489.12
Depreciation								
At 1 April 2017	-	38.01	77.00	10.39	11.06	12.60	1.42	150.48
Charge for the year	-	2.12	11.70	1.01	1.76	1.06	-	17.65
Disposals for year	-	-	-	-	-	-	-	-
At 31 March 2018	-	40.13	88.70	11.40	12.82	13.66	1.42	168.13
Charge for the year	-	2.04	11.10	0.62	1.75	1.40	0.05	16.95
Disposals for year	-	-	-	-	-	-	-	-
At 31 March 2019	-	42.17	99.80	12.02	14.57	15.06	1.46	185.08
Net block								
At 31 March 2018	118.19	97.11	71.33	1.99	10.31	10.46	0.07	309.47
At 31 March 2019	118.19	102.28	62.15	3.53	8.56	9.06	0.28	304.05

* Includes title deeds of ₹ 10.14 lakhs are in the name of erstwhile OSML, which are yet to be transferred in the name of the Company and its respective subsidiary.

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

12. Capital work-in-progress

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Balance brought forward from the previous year	7.22	-
Add : Additions	-	7.22
	7.22	7.22
Less : Transfer to Property, Plant and Equipment during the year	7.22	-
	-	7.22

13. Non-current Investments

₹ in lakhs

	Number of units / shares	Face value per unit / share	As at 31 March 2019	As at 31 March 2018
Non Trade				
(valued at cost unless stated otherwise)				
Quoted				
In Equity Instruments (fully paid)				
Sutlej Textiles & Industries Limited	2,66,00,260	1.00	514.71	514.71
SIL Investments Limited	17,58,125	10.00	396.04	396.04
New India Retailing & Investment Limited	2,66,874	10.00	212.64	212.64
Chambal Fertilisers & Chemicals Limited	3,02,500	10.00	55.00	55.00
Manavta Holdings Limited	72,000	10.00	3.53	3.53
Manbhawani Investment Limited	67,500	10.00	2.07	2.07
Avadh Sugar & Energy Limited	4,29,831	10.00	-	-
Magadh Sugar & Energy Limited	9,12,912	10.00	-	-
Ganges Securities Limited	10,14,205	10.00	867.44	867.44
			2,051.43	2,051.43
Unquoted				
In Equity Instruments (fully paid)				
SCM Investment & Trading Company Limited	37,50,000	10.00	750.00	750.00
Shree Vihar Properties Limited	7,47,692	10.00	65.77	65.77
Modern DiaGen Services Limited	23,752	10.00	2.38	2.38
India Educational and Research Institution Private Limited	24,500	10.00	2.45	2.45
Taparia Limited	3,500	10.00	0.40	0.40
Bihar State Financial Corporation Limited	70	100.00	0.07	0.07
Moon Corporation Limited ('A' Class)	745	100.00	0.77	0.77
Moon Corporation Limited ('B' Class)	2,502	5.00	0.13	0.13
Birla Buildings Limited	1,920	10.00	0.19	0.19
The Oudh Trading Company Private Limited	25	100.00	0.03	0.03
A.P.V. Texmaco Limited (in liquidation)	28,750	10.00	-	-
[at cost less provision for other than temporary diminution ₹ 0.86 lakhs]				
			822.19	822.19

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

13. Non-current Investments (Contd.)

₹ in lakhs

	Number of units / shares	Face value per unit / share	As at 31 March 2019	As at 31 March 2018
In Equity Instruments (partly paid)				
Modern Diagen Services Limited (₹ 2/- Paid up)	15,45,044	10.00	30.90	30.90
			30.90	30.90
In Preference Instruments (fully paid)				
8% Non Convertible Cumulative Redeemable Preference Share				
New India Retailing & Investment Limited	NIL (5,00,000)	NIL (100.00)	-	500.00
12% Non Convertible Cumulative Redeemable Preference Share				
Ganges Securities Limited	21,750	100.00	25.62	25.62
			25.62	525.62
In Government Securities (fully paid)				
6 Years National Saving Certificates		(a)	0.01	0.01
			0.01	0.01
			2,930.15	3,430.15
Aggregate amount of quoted investments			2,051.43	2,051.43
[Market value : ₹ 17,976 lakhs (₹ 29,814 lakhs)]				
Aggregate amount of unquoted investments			878.72	1,378.72

(a) Deposited / pledged with the Government Authority.

(b) The cost of following unquoted investments in equity shares (fully paid up) had been written off, though quantity thereof appears in the books.

Name of the Company	Number of shares	Face value per share (in ₹)
Leas Communication Limited	21,000	10.00
Swadeshi Jute Machinery Corporation Limited	15,000	10.00
Maruti Limited (in liquidation)	10,000	10.00
Chandausi Rice Mills Limited	1,000	10.00
Akhil Bharat Printers Limited (in liquidation)	150	100.00
Jai Hind Publishing Company Limited (in liquidation)	80	25.00

14. Loans and advances

₹ in lakhs

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good except stated otherwise)				
Sundry Deposits	2.69	2.69	12.40	13.56
Loan to a related party [Note 30(c)]	-	-	900.00	1,050.00
Advances recoverable in cash or in kind or for value to be received or pending adjustments	-	-	130.82	75.23
Other loans and advances				
Deposits against demand under appeal and / or under dispute	-	-	1.50	1.50
Prepaid Expenses	-	-	1.17	1.33
Balances with Government Authorities (including TDS deducted)	-	-	40.77	50.52
	-	-	43.44	53.35
	2.69	2.69	1,086.66	1,192.14

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

15. Inventories

₹ in lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
Valued at lower of cost and net realisable value			
Raw materials	20	24.64	46.11
Goods under process	21	86.76	80.15
Finished goods	21	778.96	717.46
Traded goods	21	283.24	232.07
Stores, chemicals and spare parts etc.		164.21	156.10
		1,337.81	1,231.89

16. Trade Receivables and Other Assets

16.1 Trade Receivables

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	12.49	15.21
Considered doubtful	1.00	1.00
	13.49	16.21
Less : Provision for doubtful trade receivables	1.00	1.00
	12.49	15.21
Other receivables		
Secured, considered good	23.78	32.39
Unsecured, considered good	520.04	387.90
	543.82	420.29
	556.31	435.50

16.2 Other Assets

₹ in lakhs

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)				
Non-current bank balance (Note 17)	0.80	0.80	-	-
Interest accrued on loans, advances, deposits, investments etc.	-	-	23.16	22.47
Claims and refunds receivable towards incentives	-	-	4.42	9.61
Others	0.48	-	-	-
	1.28	0.80	27.58	32.08

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)**17. Cash and bank balances**

₹ in lakhs

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents				
Balance with banks				
On current accounts	-	-	42.19	47.71
Cheques / drafts on hand	-	-	22.16	23.70
Cash on hand	-	-	2.45	1.28
	-	-	66.80	72.69
Other Bank balances *				
Deposits with original maturity of more than three months but less than twelve months	-	-	1,261.37	415.51
Deposits with original maturity more than twelve months	0.80	0.80	-	-
	0.80	0.80	1,261.37	415.51
Less : Amount disclosed under other non-current assets (Note 16.2)	0.80	0.80	-	-
	-	-	1,261.37	415.51
	-	-	1,328.17	488.20

* Includes ₹ 29.75 lakhs (₹ 36.81 lakhs) pledged / lodged with various Government Authorities by Allahabad Canning limited.

18. Revenue from operations

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Revenue from operations		
Sale of products		
Finished goods - Food processing products	2,816.05	2,436.95
Traded goods - Food processing products	1,267.62	978.28
	4,083.67	3,415.23
Less : Claims, Rebates etc.	55.05	30.77
	4,028.62	3,384.46
Other operating revenue		
Export incentives	-	1.29
Interest Income on loans	82.56	309.78
Dividend Income on Long-term Investments	454.77	604.53
Revenue from operations (gross)	4,565.95	4,300.06
Less : Excise duty	-	10.05
Revenue from operations (net)	4,565.95	4,290.01

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)**19. Other income**

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on		
- Deposits, advances etc.	59.47	7.93
- Refund from Income Tax Department	1.82	2.19
Insurance and Other Claims	-	3.21
Rent and Hire Charges	36.88	20.71
Unspent liabilities, provision no longer required and unclaimed balances adjusted	24.22	17.10
	122.39	51.14

20. Cost of Raw material and components consumed

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Inventory at the beginning of the year	46.11	48.71
Add : Purchases and procurement expenses	878.70	726.02
	924.81	774.73
Less : Inventory at the end of the year	24.64	46.11
	900.17	728.62

Details of raw materials consumed

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Fresh fruits and vegetables	711.70	550.61
Sugar	188.46	178.01
	900.16	728.62

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)**21. Decrease / (Increase) in inventories**

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Inventories at the end of the year *		
Finished goods	778.97	717.47
Traded goods	283.24	232.07
Goods under process	86.76	80.15
	1,148.97	1,029.69
Finished goods	717.46	796.35
Traded goods	232.07	241.44
Goods under process	80.15	50.77
	1,029.68	1,088.56
	-119.29	58.87
Increase / (Decrease) of excise duty on inventories	-	-14.11
	-119.29	44.76

* It represents food processing products.

Details of purchase of traded goods

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Fresh fruits and vegetables	1,010.40	755.79

22. Employee benefits expense

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages, bonus etc.	557.10	465.69
Contribution to provident & other funds (Note 27)	62.53	53.68
Gratuity expenses (Note 27)	13.40	26.51
Employee's welfare expenses	18.89	22.87
	651.92	568.75

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)**23. Other expenses**

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of store and spares	70.42	48.95
Packing Materials	770.71	582.45
Power & Fuel	109.44	88.08
Repairs to and maintenance of :		
Buildings	5.16	20.98
Machinery	10.75	9.36
Others	4.36	4.07
Rent	1.15	1.14
Rates & Taxes	3.32	2.86
Insurance	12.30	10.64
Payment to Statutory Auditors	6.46	7.15
Commission on sales	49.06	59.67
Freight & forwarding charges etc.	208.97	181.80
Cash Discount	48.23	44.36
Other Selling expenses	105.81	88.15
Provision for warranties and claims	5.01	4.34
Loss on foreign exchange fluctuation (net)	-	1.57
Short Term Capital Loss	-	73.56
Miscellaneous expenses	157.66	175.34
	1,568.81	1,404.47

24. Depreciation and amortisation expenses

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of tangible assets	16.96	17.65
	16.96	17.65

25. Finance Costs

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest	39.85	289.74
	39.85	289.74

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

26. Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Profit / (Loss) after tax	574.08	518.54
Dividend on Non-Convertible Cumulative Redeemable Preference Share & tax thereon	13.47	13.30
Net profit / (loss) for calculation of basic and diluted EPS	560.61	505.24
	Nos.	Nos.
Weighted average number of equity shares in calculating basic & diluted EPS	1,00,03,102	1,00,03,102
	₹	₹
Earning per equity share (Nominal value of share ₹ 10)		
Basic & Diluted	5.60	5.05
There is no dilutive potential equity share.		

27. Gratuity - Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed 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. The Company has a approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

Statement of profit and loss

Net employee benefit expense recognized in employee costs

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	7.03	6.95
Interest cost on benefit obligation	9.50	8.03
Expected return on plan assets	(5.59)	(5.57)
Unrecognised Past Service Cost	-	19.76
Net actuarial gain recognized in the year	2.46	(2.66)
Net benefit expense	13.40	26.51
Actual return on plan assets	5.59	5.57

Balance sheet

Net Benefit liability / (asset)

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Present value of defined benefit obligation	137.23	138.68
Fair value of plan assets	78.50	78.34
Plan liability	58.73	60.34

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

27. Gratuity - Defined Benefit Plan (Contd.)

Changes in the present value of the defined benefit obligation are as follows :

₹ in lakhs

	31 March 2019	31 March 2018
Opening defined benefit obligation	138.68	114.07
Current service cost	7.03	6.95
Interest cost	9.50	8.03
Plan Amendment	-	19.76
Benefits paid	(20.44)	(7.47)
Actuarial gain on obligation	2.46	(2.66)
Closing defined benefit obligation	137.23	138.68

Changes in the fair value of plan assets are as follows :

₹ in lakhs

	31 March 2019	31 March 2018
Opening fair value of plan assets	78.35	80.25
Expected return	5.59	5.57
Contributions by employer	15.00	-
Benefits paid	(20.44)	(7.47)
Actuarial loss	-	-
Closing fair value of plan assets	78.50	78.35

Allahabad Canning limited expects to contribute ₹ 10.00 lakhs (p.y. ₹ 15.00 Lakhs) to Gratuity Fund in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	31 March 2019	31 March 2018
Investments with LIC	100%	100%

The principal assumptions are shown below :

	31 March 2019	31 March 2018
Discount rate	7.07%	7.40%
Expected rate of return on assets	9.00%	9.00%
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

27. Gratuity - Defined Benefit Plan (Contd.)

Amounts for the current year and previous periods are as follows :

₹ in lakhs

	31 March 2019	31 March 2018	31 March 2017
Gratuity			
Defined benefit obligation	137.23	138.68	114.07
Plan assets	78.50	78.34	80.25
Surplus / (deficit)	(58.73)	(60.34)	(33.82)
Experience (gain) / loss adjustments on plan liabilities	0.33	(1.87)	(4.21)
Experience gain / (loss) adjustments on plan assets due to change in assumption	2.13	(0.80)	(0.09)

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the year over which the obligation is to be settled.

Defined Contribution Plan:

The Company has recognised the following amount as an expense and included under, "Contribution to Provident & Other Funds".

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Contribution to Provident / Pension Funds / State Insurance	62.53	53.68

28. Leases

Operating lease:

Certain office premises, godowns, cane purchasing centre etc. are held on operating lease. The leases range upto 3 years and are renewable either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Lease payments made for the year	1.15	1.14

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

29. Segment information

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the products produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Accordingly, the Company has identified "Food Processing Products" and "Investments" as the operating segments :

Food Processing Products - Consists of Canned Fruits and Vegetables, Jams Jellies, Squashes and Juices.

Investments - Consists of Interest income from loans and Dividend income from investments in shares & securities.

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

Business segments Year ended 31 March 2019

₹ in lakhs

Particulars	Food Processing Products	Investments	Total
Revenue from operations	4,028.62	537.33	4,565.95
Results			
Segment results	66.61	503.45	570.06
Unallocated Income / (Expenses) (net of unallocated expenses / income)			89.31
Operating Profit			659.37
Finance Costs			39.85
Profit before tax			619.52
Current tax			44.65
Provision for Tax for earlier year			0.79
Total tax expenses			45.44
Profit after tax			574.08

₹ in lakhs

Particulars	Food Processing Products	Investments	Total
As at 31 March 2019			
Segment assets	2,228.82	4,016.43	6,245.25
Unallocated assets	66.95	1,262.50	1,329.45
Total assets			7,574.70
Segment liabilities	790.45	117.38	907.84
Unallocated liabilities	263.82	-	263.82
Total liabilities			1,171.66
Other segment information			
Capital expenditure			
Property, Plant & Equipment	4.33	7.21	11.53
Depreciation	2.26	14.70	16.96

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

29. Segment information (Contd.)

Year ended 31 March 2018

₹ in lakhs

Particulars	Food Processing Products	Investments	Total
Revenue from operations (net of Excise Duty)	3,375.70	914.31	4,290.01
Results			
Segment results	21.88	828.42	850.30
Unallocated Income / (Expenses) (net of unallocated expenses / income)			(29.19)
Operating Profit			821.11
Finance Costs			289.74
Profit before tax			531.37
Current tax			12.54
Provision for Tax for earlier year			0.29
Total tax expenses			12.83
Profit after tax			518.54

₹ in lakhs

Particulars	Food Processing Products	Investments	Total
As at 31 March 2018			
Segment assets	1,949.27	4,691.87	6,641.14
Unallocated assets	78.54	410.45	488.99
Total assets			7,130.13
Segment liabilities	713.56	482.80	1,196.36
Unallocated assets	104.81	-	104.81
Total liabilities			1,301.17
Other segment information			
Capital expenditure			
Property, Plant & Equipment	5.57	-	5.57
Depreciation	15.40	2.25	17.65

30. Related party disclosures

Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Key management personnel	Shri Chandra Shekhar Nopany - Director (resigned on 08/11/2018) Smt. Shalini Nopany - Director Shri Chand Bihari Patodia - Managing Director Shri Deepak Kumar Sharma - Chief Financial Officer Ms Mayuri Raja - Company Secretary
Relatives of Key Management Personnel	Smt. Nandini Nopany - Mother of Chandra Shekhar Nopany
Enterprises owned or significantly influenced by Key management personnel or their relatives	Avadh Sugar & Energy Limited Magadh Sugar & Energy Limited Sutlej Textiles & Industries Limited SIL Investments Limited

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

30. Related party disclosures (Contd.)
a. Loans / Inter-corporate deposits taken and repayment thereof

₹ in lakhs

	Year ended	Opening Balance	Interest accrued / paid	Amount owned to related parties
Enterprises owned or significantly influenced by Key management personnel or their relatives				
SIL Investments Limited	31/03/19	350.00	17.07	-
	31/03/18	350.00	273.58	350.00

b. Receivable / Payable outstanding (incl Security Deposit)

₹ in lakhs

	Year ended	Transaction during the year	Amount owned by related parties	Amount owned to related parties
Enterprises owned or significantly influenced by Key management personnel or their relatives				
Avadh Sugar & Energy Limited	31/03/19	15.00	-	70.00
	31/03/18	-	-	85.00
Sutlej Textiles & Industries Limited	31/03/19	-	-	10.00
	31/03/18	-	-	10.00

c. Loans / Inter-corporate deposits given and receipts thereof

₹ in lakhs

	Year ended	Opening Balance	Interest accrued / received	Amount owned to related parties
Enterprises owned or significantly influenced by Key management personnel or their relatives				
Avadh Sugar & Energy Limited	31/03/19	1,050.00	46.30	-
	31/03/18	1,050.00	309.79	1,050.00
Magadh Sugar & Energy Limited	31/03/19	-	36.26	900.00
	31/03/18	-	-	-

d. Other Receipt

₹ in lakhs

	Year ended	Interest accrued / received	Amount owned to related parties
Enterprises owned or significantly influenced by Key management personnel or their relatives			
Avadh Sugar & Energy Limited	31/03/19	10.00	4.30
	31/03/18	5.00	101.71
Magadh Sugar & Energy Limited	31/03/19	15.00	9.13
	31/03/18	7.50	81.25
Sutlej Textiles & Industries Limited	31/03/19	10.00	345.80
	31/03/18	5.00	345.80
SIL Investments Limited	31/03/19	-	26.37
	31/03/18	-	26.37

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)**31. Contingent liabilities**

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Demands / claim by various Government authorities and others not acknowledged as debt and contested by a subsidiary company:		
(i) Sales Tax	1.65	1.65
(ii) Others	8.25	8.25
	9.90	9.90
(b) Uncalled Capital on partly paid shares	123.60	123.60
(c) Bank Guarantees outstanding	142.27	75.61
(d) Arrear Dividend (including tax) on Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS)	102.16	88.69

32. The disclosure of net assets and share in profit or loss percentage of the Holding Company and Subsidiary Companies pursuant to Schedule III of the Companies Act, 2013 is as under:

Name of the entity in the Consolidation Financial Statements	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated net assets	Amount (₹ in lakhs)	As % of Consolidated profit or loss	Amount (₹ in lakhs)
1	2	3	4	5
Parent:				
Palash Securities Limited	33.38%	2,137.32	1.25%	7.17
Subsidiaries:				
Allahabad Canning Limited	2.23%	143.03	5.58%	32.04
Hargaon Investment & Trading Company Limited	39.45%	2,526.11	60.02%	344.56
OSM Investment & Trading Company Limited	14.74%	944.08	22.27%	127.83
Champaran Marketing Company Limited	10.21%	653.86	11.01%	63.20
Hargaon Properties Limited	-0.02%	-1.36	-0.13%	(0.72)
Total	99.99%	6,403.04	100.00%	574.08

Notes to consolidated financial statements as at and for the year ended 31 March 2019 (Contd.)

33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade Payables.

₹ in lakhs

	As at 31 March 2019	As at 31 March 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises		
(i) The principal amount and the interest thereon remaining unpaid to the supplier as at end of accounting year	11.02	11.61
Interest thereon	-	-
(ii) Total amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii) Total amount of interest due and payable for the period delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest due as above are actually paid to small enterprises for the purpose of disallowance as deductible under section 23 of MSMED Act 2006	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

34. Expenditure in Foreign Currency are as under:

₹ in lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Purchase of Traded goods	62.10	-
(b) Selling Commission	-	0.82

35. Previous year's figure including those given in brackets have been regrouped / rearranged wherever necessary.

As per our report of even date

For **Agrawal Subodh & Co.**

Firm Registration No.: 319260E

Chartered Accountants

Chetan Kumar Nathani

Partner

Membership No.: 310904

Place: Kolkata

Date: 10.05.2019

For and on behalf of the Board of Directors

Chand Bihari Patodia

Managing Director

DIN : 01389238

Deepak Kumar Sharma

Chief Financial Officer

Bal Kishore Malpani

Director

DIN : 00209006

Mayuri Raja

Company Secretary

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PALASH SECURITIES LIMITED

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Email : birlasugar@birla-sugar.com | Website : www.birla-sugar.com

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 Fifth Annual General Meeting (AGM) of the members of **PALASH SECURITIES LIMITED** will be held on Monday, 2nd September, 2019 at 10.00 am at the Registered Office of the Company, at P.O Hargaon, Dist Sitapur, Pin – 261121, to transact the following businesses:

ORDINARY BUSINESS

- To receive, consider and adopt:
 - the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2019 and the Reports of the Directors and Auditors thereon.
 - the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2019 and the Reports of the Auditors thereon.
- To elect a Director in place of Mrs. Shalini Nopany (DIN: 00077299), who retires by rotation and, being eligible, seeks re-appointment.

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

Mayuri Raja
Company Secretary
ACS-26022

Place : Kolkata
Dated : 10th May, 2019

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
- The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, body(ies) corporate, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- Route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.
- Proxy holder shall prove his identity at the time of attending the Meeting. A Proxy Form which does not state the name of the Proxy shall be considered invalid
- The Register of the Members and Share Transfer of Books of the Company will remain closed from Tuesday, 27th August, 2019 to Monday, 2nd September, 2019 (both days inclusive), for the purpose of Annual General Meeting (AGM).
- Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company authorising their representative to attend and vote on their behalf at the Meeting.
Particulars in respect of the director retiring by rotation seeking re-appointment at the AGM, forms part of the Notice
- Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting
- Members are requested to notify the change in their addresses, if any, to the Company or its Registrar & Share Transfer Agent. Members holding shares in dematerialised form should send the above information to their Depository Participants ('DPs').
- In all correspondence with the Company/Registrar & Share Transfer Agent the Members are requested to quote their accounts/folio numbers and in case their shares are held in the dematerialized form their Client ID Number and DP ID Number.
- The Securities and Exchange Board of India ('SEBI') has mandated the transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from 1st April, 2019. Accordingly, requests for physical transfer of securities of listed entities shall not be processed from 1st April, 2019 onwards. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.
- In terms of provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders in respect of shares held by them in physical form. The Nomination Form can be obtained for the purpose from the Company/Registrar & Share Transfer Agent. Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent
13. The Statement of Profit and Loss for the financial year ended 31st March, 2019, the Balance Sheet (including consolidated financial statements) as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached to the Balance Sheet and circulated to the Members of the Company along with this Notice are also available in physical/electronic form for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days up to this AGM.
14. Members who wish to obtain information on the Company or view the Accounts for the financial year ended 31st March, 2019 may visit the Company's website www.birla-sugar.com/www.palashsec.com or send their queries at least 10 (ten) days in advance before the AGM to the Company. In accordance with the provisions of Section 136 of the Companies Act, 2013, the Company will provide a separate copy of audited financial statements in respect of each of its subsidiaries, to any shareholder of the Company on making requisition to the Company. A Statement containing the salient features of the financial statement of associate(s) forms part of the Annual Report of the Company. The audited financial statements will also be available for inspection at the Registered Office of the Company and the concerned subsidiary company(ies) on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting. Further, the documents shall also be available on the website of the Company at [www.birla-sugar.com / www.palashsec.com](http://www.birla-sugar.com/www.palashsec.com).
15. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on Thursday, 29th August, 2019 (9:00 am) and ends on Sunday 1st September, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 26th August, 2019, may cast their vote by remote e-voting.
The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. **The process and manner for remote e-voting are as under:**
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:
Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

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

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of company for which you wish to cast your vote.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- VI. In case of any query / grievance with respect to Remote E-voting, members may refer to the Frequently Asked Questions (FAQs) for Shareholders and Remote E-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 24994360 / 022 – 24994545 or toll free no. 1800 – 222 – 990 or at E-mail ID : evoting@nsdl.co.in
 - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 26th August, 2019.
 - X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, 26th August, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or kolkata@linkintime.co.in.
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" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - XII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - XIII. Mr. Mohan Ram Goenka, Practicing Company Secretary (CP No. 2551) has been appointed as the Scrutinizer for to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.birla-sugar.com/www.palashsec.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

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

Name	Mrs. Shalini Nopany	
Date of Birth	13.03.1968	
Brief Profile covering experience	Mrs. Shalini Nopany, holds a Honours Degree in Bachelor of Commerce from University of Delhi and Masters of Business Administration from the University of Pittsburgh, USA. She is an eminent business personality and due to her wide experience in the field of business administration occupies position of Director in several companies including with Indian Chamber of Commerce.	
Date of Appointment	02.08.2016	
Inter-se relationship	None	
Shareholding	Nil	
	Name of Company(ies)	Committee Memberships, if any with position
Other Directorships	Indian Chamber Of Commerce Calcutta	-
	SCM Investment & Trading Co Limited	-
	SIL Investments Limited	● Corporate Social Responsibility Committee-Member
	Gladiolus Traders Private Limited	-
	RTM Investment & Trading Co. Limited	-
	Sidh Enterprises Limited	● Nomination & Remuneration Committee-Member
	New India Retailing & Investment Limited	● Stakeholders' Relationship Committee- Member
		● Nomination & Remuneration Committee-Member
	Nilgiri Plantations Limited	-
La Monde Trading & Investment Private Limited	-	

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

Mayuri Raja
Company Secretary
ACS-26022

Place : Kolkata
Dated : 10th May, 2019

Route Map of the Venue of the Meeting:

A Route Map showing directions to reach to the venue of the 5th AGM of the Company is given at the end of this Notice as per the requirement of the Secretarial Standard - 2 on "General Meeting".



Venue

P.O Hargaon, Dist Sitapur Pin – 261121
(The prominent landmark near the Venue is Hargaon Sugar Mills)

5th Annual General Meeting
Monday, September 02, 2019
at 10.00 A.M.

PALASH SECURITIES LIMITED

CIN : L74120UP2015PLC069675

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

Phone: (05862) 256220, FAX (05862) 256225, E-mail : palashsecurities@birlasugar.org, Website : www.birla-sugar.com

ATTENDANCE SLIP

I / We hereby record my / our presence at the 5th Annual General Meeting of the Company being held on Monday, September 02, 2019 at 10.00 A.M., at the Registered Office of the Company at P. O. Hargaon, District – Sitapur, Uttar Pradesh, Pin – 261 121.

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

Note : Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	User ID	PASSWORD/PIN

5th Annual General Meeting
Monday, September 02, 2019
at 10.00 A.M.

PALASH SECURITIES LIMITED

CIN : L74120UP2015PLC069675

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

Phone: (05862) 256220, Fax (05862) 256225, E-mail : palashsecurities@birlasugar.org, Website : www.birla-sugar.com

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules), 2014

PROXY FORM
Form MGT-11

I/We, being the member(s), holding shares of the above named Company, hereby appoint:

(1) Name : Address :
E-mail ID : Signature or failing him/her;

(2) Name : Address :
E-mail ID : Signature or failing him/her;

(3) Name : Address :
E-mail ID : Signature

as my / our proxy to attend and vote (on a Poll) for me / us and on my / our behalf at the Fifth Annual General Meeting of the Company being held on Monday, September 02, 2019 at 10.00 A.M., at the Registered Office of the Company at P. O. Hargaon, District – Sitapur Uttar Pradesh, Pin – 261 121 or at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of Audited Financial Statements and Consolidated Financial Statements for the year ended 31 st March, 2019.		
2.	Appointment of a Director in place of Mrs. Shalini Nopany (DIN: 00077299), who retires by rotation and being eligible, offers herself for re-appointment.		

Signed this day of

Members Folio No./Client ID No. Signature of Proxy holder(s)

Signature of Shareholder(s)

Affix the
Revenue
Stamp of
Rs. 1/-

Note : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. For Notes, please refer to the Notice convening the Fifth Annual General Meeting.

*3. It is optional to put a "X" in the appropriate column against the resolution indicated in the Box. If you leave the "For" or "Against" column blank against the resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) in above box before submission.