

# GANGES SECURITIES LIMITED

CIN – L74120UP2015PLC069869

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

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

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

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August 01, 2021

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

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

**Symbol : GANGESSECU**

**Stock Code : 540647**

Dear Sirs,

**Sub: Annual Report including Audited Financial Statements for the year ended March 31, 2021**

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose a copy of the Annual Report including Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Notice dated May 10, 2021 convening the 7<sup>th</sup> Annual General Meeting of the Company on August 26, 2021.

Thanking you,

Yours faithfully,  
For **Ganges Securities Limited**

  
Vijaya Agarwala  
Company Secretary  
ACS 38658



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Corporate Office: Birla Building (5<sup>th</sup> Floor), 9/1, R N Mukherjee Road, Kolkata – 700 001

Phone: (033) 2248 7068; Fax: (033) 2248 6369

Annual  
Report  
2020-21

## Corporate Information

### Board of Directors

Mrs. Nandini Nopany, Chairperson  
 Mrs Urvi Mittal, Managing Director (w.e.f April 01, 2021)  
 Mr. Arun Kumar Newar  
 Mr. Chhedi Lal Agarwal  
 Mr. Dhiraj Ramakant Banka  
 Mr. Santosh Kumar Poddar, Managing Director  
 (upto March 31, 2021)

### Committees of Directors

#### Audit Committee

Mr. Arun Kumar Newar - Chairman  
 Mr. Chhedi Lal Agarwal  
 Mr. Dhiraj Ramakant Banka  
 Mr. Santosh Kumar Poddar

#### Stakeholders' Relationship Committee

Mr. Arun Kumar Newar - Chairman  
 Mr. Chhedi Lal Agarwal  
 Mr. Santosh Kumar Poddar

#### Nomination and Remuneration Committee

Mr. Dhiraj Ramakant Banka - Chairman  
 Mr. Chhedi Lal Agarwal  
 Mr. Arun Kumar Newar

### 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: Ganges Securities Limited)  
 Room Nos.: 502 & 503, 5th floor  
 Vaishno Chamber, 6 Brabourne Road  
 Kolkata – 700 001  
 Tel Nos: 033- 4004 9728 / 033- 4073 1698  
 Fax No.: 033-4073 1698  
 Email: kolkata@linkintime.co.in

### Registered Office

P. O. Hargaon District – Sitapur, (U. P.)  
 Pin Code – 261 121  
 Tel. No.: (05862) 256220, Fax No.: (05862) 256225  
 E-mail: gangessecurities@birlasugar.org  
 Website: www.birla-sugar.com  
 CIN – L74120UP2015PLC069869

### 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 seventh Annual Report on the business & operations of the Company together with the Audited Financial Statements for the year ended March 31, 2021.

### 1. Financial Results

A summary of the standalone and consolidated financial performance of the Company for the financial year ended March 31, 2021, as compared to the previous year is as summarised below:

(₹in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	493.68	74.90	3481.05	3186.40
Profit before Finance Costs, Tax, Depreciation and Amortization	478.65	55.14	1248.30	952.23
Less: Depreciation & Amortization Expenses	2.36	2.25	69.54	65.49
Less: Finance Costs	7.33	13.54	8.34	15.74
Profit/(Loss) Before Tax	468.96	39.35	1170.42	871.00
Less: Provision for Tax	(1.61)	-	-	0.60
Profit/(Loss) After Tax	470.57	39.35	979.42	714.09

### 2. Financial Performance and State of affairs of the Company

During the Financial Year 2020-21, the standalone Gross Revenue from Operations was ₹ 493.68 (Previous Year: ₹ 74.90). The Profit stood at ₹ 470.57 (Previous Year: ₹ 39.35) registering a satisfactory growth.

The Consolidated Gross Revenue from operations for FY 2021 was ₹ 3481.05 (Previous Year: ₹ 3186.40). The Consolidated profit stood at ₹ as 979.42 (Previous Year: ₹ 714.09 Lakhs).

The Board of Directors has not recommended payment of dividend.

There is no change in the nature of business of the Company. The Company had applied for voluntary delisting of equity shares of the Company from the Calcutta Stock Exchange Limited (CSE) pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009. The same was approved and the Company is delisted w.e.f February 26, 2021. There were no significant or material orders passed by any regulator, court or tribunal impacting the Company's operation in future.

There are no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. March 31, 2021 and the date of this report.

Details on the state of affairs of the Company are covered in the Management Discussion and Analysis Report attached to this Report and marked as 'Annexure A'.

### 3. Share Capital

During the year under review, pursuant to the Order of the Hon'ble NCLT, Allahabad Bench, the Company has issued 2,40,000 (Two Lakhs Forty Thousand), 8.5% (Eight and Half Percent) per annum, Non-Convertible Cumulative Redeemable Preference Shares ('NCCRPS') of INR 100/- (Rupees One Hundred) each, aggregating to INR 2,40,00,000/- (Rupees Two Crore Forty Lakhs) to the existing preference shareholders, being equal to the amount required to be paid by the Company to the preference shareholders, on redemption of the NCCRPS, that is, INR 1,50,00,000 (Rupees One Crore Fifty Lakhs) in addition to unpaid dividends thereon upto September 24, 2019, at a rate of 12% (Twelve Percent) per annum amounting to INR 90,00,000 (Rupees Ninety Lakhs).

There has been no change in the paid up Equity Share Capital of the Company. The paid up Equity Share Capital as on March 31, 2021 stood at Rs. 1000.37 lakhs.

#### 4. Subsidiary, Associate and Joint Venture

During the year, there has been no change in the subsidiaries. The Company has two subsidiaries viz. Cinnatollah Tea Limited and Uttar Pradesh Trading Company Limited. The Company has formulated a policy for determining material subsidiaries in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The said Policy is being disclosed on the Company's website at the web-link <http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-on-Determination-of-Materiality.pdf>.

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/Joint Ventures is given in Form AOC-1 which forms part of this Report and marked as '**Annexure - 'B'**'.

Except the above, no other body corporate has become or ceased to be a subsidiary, joint venture or associate company during the year.

#### 5. Directors

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

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mrs. Nandini Nopany [DIN: 00051362], retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment for approval of the Members of the Company at the forthcoming Annual General Meeting.

Mr Santosh Kumar Poddar has relinquished the office of the Managing Director of the Company with effect from March 31, 2021. He shall continue to act as a Non-Executive Director on the Board of the Company.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee has appointed Mrs. Urvi Mittal as the Managing Director with effect from April 01, 2021.

The Board recommends the resolution in relation to appointment of Mrs. Urvi Mittal [DIN: 02780842] as a Managing Director, for the approval of the members of the Company.

The Company has received necessary declarations from all the Independent Directors ('IDs') of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) & (7) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. Declarations have also been received by all the appointed Independent Directors of the Company with regard to registration on the databank of IDs maintained by the Indian Institute of Corporate Affairs, Manesar (Haryana) in accordance with the provisions of Section 150 of the Companies Act, 2013.

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation of 25(3) of the Listing Regulations, 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, the Nomination and Remuneration Committee finalized the proformas / 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 and Chairperson of the Company was carried out for the Financial Year 2020-21.

Further, the Independent Directors at their separate meeting reviewed the performance and role of non-independent directors and the Board as a whole and Chairman of the Company. Further, the IDs at their meeting have also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

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

#### 6. Key Managerial Personnel

The following directors / executives of your Company are whole-time Key Managerial Personnel (KMPs) as on 31st March, 2021 in accordance with the provisions of Section 203 of the Companies Act, 2013 –

- Mr. Santosh Kumar Poddar- Managing Director
- Mr. Vikash Goyal- Chief Financial Officer;
- Ms. Vijaya Agarwala- Company Secretary

During the year under review, there was no change in the Key Managerial Personnel. Mrs Urvi Mittal has been appointed as the Managing Director of the Company with effect from April 01, 2021.

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 web link- [http://www.birla-sugar.com/Assets/Ganges/Familiarisation\\_Programme\\_for\\_Independent\\_Director\\_-\\_Ganges\\_Securities\\_Limited.pdf](http://www.birla-sugar.com/Assets/Ganges/Familiarisation_Programme_for_Independent_Director_-_Ganges_Securities_Limited.pdf) All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

## 7. Familiarisation Programme

Periodic presentations are made at the Board Meetings with respect to business performance and updates on business strategy of the Company. The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Directors is uploaded on the website of the Company and available at the weblink- [http://www.birla-sugar.com/Assets/Ganges/Familiarisation\\_Programme\\_for\\_Independent\\_Director\\_-\\_Ganges\\_Securities\\_Limited.pdf](http://www.birla-sugar.com/Assets/Ganges/Familiarisation_Programme_for_Independent_Director_-_Ganges_Securities_Limited.pdf)

Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, duties and responsibilities. The format of such letter of appointment is available at the website of the Company at <http://www.birla-sugar.com/Assets/Ganges/Terms-and-conditions-of-appointment-of-Independent-Directors2.pdf>

## 8. Policy on Directors' appointment and remuneration

The policy of the Company is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management.

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company. The Policy, inter-alia, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy and remuneration structure & components, etc. of the Directors, 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.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company and that there has been no change in this policy during the year under review and a copy of the said Policy is available at the website of the Company at the weblink [http://www.birla-sugar.com/Assets/Ganges/Remuneration-Policy\\_Ganges.pdf](http://www.birla-sugar.com/Assets/Ganges/Remuneration-Policy_Ganges.pdf).

## 9. 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 Meetings was within the period prescribed under the Companies Act, 2013. During the financial year ended March 31, 2021, 5 (five) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the financial year 2020-21 have been furnished in the Corporate Governance Report forming part of this Annual Report.

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

## 10. Committees of the Board

As on March 31, 2021, there are three Board constituted Committees viz: as Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship 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, which forms an integral part of this Report.

## 11. 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/loans under Section 186 of the Companies Act 2013 are provided in Note 6 to the financial statements.

## 12. Related Party Contracts / Arrangements

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable. The details of related party transactions are set out in the notes to the financial statements.

The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions and accordingly all Related Party Transactions are placed before the Audit Committee as also the Board for approval. The said Policy is available on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Related-Party-Transaction-Policy.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties.

## 13. Public Deposits

The Company has not accepted any deposits from the public and as such there are no outstanding deposits within the meaning of the provisions of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules 2014. There was no public deposit outstanding as at the beginning and end of the financial year 2020-21.

## 14. Risk Management and Internal Financial Controls

Business Risk Evaluation and Management is an ongoing process within the organization. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks

The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were reviewed and no reportable material weakness was observed.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

## 15. Whistle Blower / Vigil Mechanism

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

The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. The said Policy can be accessed on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Whistle-Blower-Policy.pdf>

During the year, there was no instance of fraud, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

## 16. Corporate Governance & Annual Return

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2020-21 is attached as '**Annexure C**' to this Report. The declaration of the Managing Director confirming compliance with the 'Code of Conduct' of the Company Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance are enclosed as '**Annexure D**' and '**Annexure E**' to this Report respectively.

The extract of the Annual Return of the Company is attached as '**Annexure- F**' to this Report.

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

### a. Statutory Auditors

M/s. Agrawal, Subodh & Co., Chartered Accountants, having Firm Registration No. 319260E, were re-appointed as Statutory Auditors at the 6th Annual General Meeting (AGM) of the Company, to hold office for another term of 5 (five) years from the conclusion of 6th AGM till the conclusion of the 11th consecutive AGM. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Report given by the Auditors on the financial statement of the Company forms part of this Report. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### b. 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 has appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report is annexed herewith as 'Annexure G1' and self-explanatory and does not call for any further comments.

In addition to the above, pursuant to Regulation 24A of the Listing Regulations, the Secretarial Audit Reports of the material unlisted subsidiaries of the Company viz., Cinnatollah Tea Limited and Uttar Pradesh Trading Company Limited form part of this Report and are marked as 'Annexure -G2' and 'Annexure -G3' respectively.

### c. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, your Company has, on the recommendation of the Audit Committee re-appointed Messrs M Parasrampur & Co., Chartered Accountants to conduct Internal Audit of the Company for the financial year 2020-21.

## 18. Corporate Social Responsibility (CSR) Policy

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

## 19. Investor Education and Protection Fund

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

## 20. 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 your Company as it does not have any activity requiring conservation of energy or technology absorption. There was no foreign exchange inflow or outflow during the year under review.

## 21. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013

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

## 22. Particulars of Employees

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

## 23. 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 March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### 24. CEO/CFO Certification

Mr. Santosh Kumar Poddar, Managing Director and Mr. Vikash Goyal, 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.

#### 25. Acknowledgement

Your Directors take this opportunity of recording their appreciation of the shareholders, financial institutions, bankers, suppliers and cane growers for extending their support to the Company. The Board of Directors also convey its sincere appreciation of the commitment and dedication of the employees at all levels.

Place: Kolkata  
Dated: May 10, 2021

**For and on behalf of the Board**

**Nandini Nopany**  
Chairperson  
DIN:00051362

## Annexure A

### Management Discussion & Analysis

#### Economic Overview

The global economy has been showing signs of recovery since the harsh lockdowns imposed across the world to curb the spread of COVID-19. Diverse recovery paths are projected for the emerging market and developing economies. In its January 2021 update of World Economic Outlook, the International Monetary Fund (IMF) projected India's growth at 11.5% in 2021 and that India is set to become the fastest-growing economy in the next two years.

India climbed 14 rungs in the World Bank's Ease of Doing Business 2020 Survey to stand at the 63rd position, among 190 countries. This helped India to remain as one of the preferred investment destinations in FY 2020-21. During the unlock phase, there were numerous measures undertaken to ramp up India's fiscal spending too. India recognised the impacts of the pandemic both on the supply and demand in the economy. Although vaccination has raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. A positive outlook coupled with the gradual scaling down of the lockdowns, along with an astute support for Atmanirbhar Bharat Mission has placed the economy firmly on the path of recovery.

Almost all the sectors have been adversely affected as domestic demand and exports sharply plummeted with some notable exceptions where high growth was observed. Most Indian corporates expect the ongoing pandemic to influence the direction of their business strategy over the next three years. As per IMF, despite the uncertainty, the global economy is projected to grow by 6.0% in CY2021 and 4.4% in CY2022.

#### Industry Structure and Developments

COVID-19 has disrupted consumption patterns and business activities worldwide. The spread of pandemic has put India in the midst of an unprecedented humanitarian crisis. Loss of income and livelihoods and subsequent fall in consumption demand as well as discretionary spending resulted in NBFCs' credit growth remaining in a modest zone in contrast to their usual robust trend.

The tea industry in India is in a particularly fragile position during this economic crisis. The deteriorating global economic conditions, foreign and fiscal exchange constraints have hit the Indian tea industry hard. The industry currently contributes 31 per cent to global production and stands fourth in terms of exports. Over the last few decades, the tea industry has played a very significant role in India's gross domestic product growth and foreign exchange earnings

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

With the industry facing financial difficulties, it falls to the government to aid tea companies in acting swiftly and promptly to ensure that workers are able to live a safe and healthy life with dignity during this difficult period.

Currently there is a need to ensure flow of funds to the industry through the primary markets and hence certain rules need to be tweaked to make this easier. In response to current turmoil, RBI and the Government of India have come up with plethora of reforms such as reductions of repo rate, regulatory relaxation by extending moratorium and several measures to boost liquidity in the system howsoever the pandemic has impacted the basic premises of the corporate sector. Payments deferrals, subdued loan growth, rising cases of bad loans and sluggish business conditions have impaired the growth and the health of the economic activity. The recovery in 2021 was anticipated to be only partial as the level of economic activities projected to remain below the level it was projected for 2021, before the virus hit. Assuming the pandemic fades in the second half of 2021 and that policy actions taken around the world are effective in preventing widespread firm bankruptcies, extended job losses, and system-wide financial strains, global growth in 2022 was projected to rebound.

#### Opportunities and Threats

Your Company is an Investment Company that 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. The impact of the pandemic on the corporate sector and investor confidence altogether will delay the pace of development for countries whose markets are at an earlier stage of development.

Trade-in 2021 is expected to fall steeply in every region of the world and basically across all sectors. Despite the fact that it's hard to predict the magnitude and impact of Coronavirus on the economy, it is but certain that the markets will bounce back soon once the crisis gets over. But

global trade could rebound rapidly after that. However, it would depend on how quickly the pandemic is brought under control, and the policy choices which the governments take to support their economies. Income levels and livelihood opportunities are expected to further improve in FY-22, as economic recovery gathers pace and vaccine administration progresses.

As per the Tea Association of India (TAI), the crop outlook for the Tea Industry at this point of the season looks bleak due to drought-like situation prevailing in both the states of Assam and West Bengal. Though a normal monsoon has been predicted, the production in the second half of the year will depend on how the weather will sustain. The crop shortage has pushed up the Indian tea prices thus nullifying its competitive edge in the global market where Kenya with bumper production and low prices is currently dominating.

The management intends to optimize the deployment of fund and capital across the core business of the Company and its subsidiaries that will enable the 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. Uttar Pradesh Trading Company Limited is a Non-Banking Financial Company registered with RBI and primarily engaged in investment activities and whereas the other wholly owned subsidiary Cinnatollah Tea Limited is engaged in the Tea Business.

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

We started the year on an uncertain note given the onset of the pandemic, the consistent support by the Reserve Bank of India helped in keeping yields soft. The impact of the pandemic can be seen on both asset quality and liquidity, although the latter was addressed to a considerable extent through timely policy measures. The profitability of NBFCs dipped in the immediate aftermath of the COVID-19 in the first quarter of 2020-21, as businesses suffered economic losses due to nation-wide lockdowns.

Since the first quarter of FY2021, equity markets globally witnessed a sustained recovery following the volatile decline during the last quarter of FY2020. Indian equity markets also exhibited a similar recovery following the decline in FY2020. Over the last few years, there has been a gradual increase in net financial savings and its share in the overall household savings in India has stabilised with an upwards bias.

Despite COVID-induced turbulence, Indian equity markets showed their best performance in a decade in FY 2020-21. Persistent traction in foreign flows and brighter domestic economic outlook as reflected through steady improvement in several high frequency indicators and better expected Q4FY 2020-21 corporate earnings also kept investor sentiments afloat. This was further supported by stimulus measures announced by the Government and liquidity measures adopted by RBI.

Going forward, favourable demographic dividend, formalisation of the economy, growing financial inclusion, greater disposable income and investable surplus, increasing financial savings, higher investor awareness, investor friendly regulations, wide range of transparent and investor-friendly products, ease of investing, tax incentives, expanding distribution coverage and digitalization are expected to be key drivers for the growth of the investment industry.

Agriculture was the high performing sector of the Indian economy in FY 2020-21, driven by normal monsoon, record-high production and strong policy support. During the year under review, tea's sales volume was higher by 9.58% and averages of tea were higher by 31% vis-à-vis that of previous year. The demand for good CTC leaf grades increased during the period. The country's per capita consumption has witnessed a significant increase over the last decade.

However, the pandemic has taken its toll. On top of lower production, the movement restriction due to lockdown has pushed down sales. Moreover, out of home consumption, particularly that in Horeca (hotel, restaurant and catering) sector has declined. While tea prices moderated during November-mid December 2020, following a seasonal quality decline amid normal production levels in September and October 2020, the prices rebounded in the recent auctions in the domestic market in the calendar year 2020.

The impact on bulk tea prices once the production returns to normal in the new season would be a critical factor determining the profitability in the next financial year. The tea industry may continue to face challenges in the next financial year with hike in wages and its impact on prices, as production returns to normal.

We also believe that the post pandemic world will see a greater emphasis on food safety, healthy intake and larger sustainability focus. With these values at the core of our business structure, we would be well positioned to serve the trend.

The performance has resulted in a profit after tax of Rs 470.57 lacs During the year under review, the Company's income from investments in the form of dividend and income in the form of Rent was aggregating to Rs 493.68 lacs. Neither any revenue has been earned in foreign exchange nor was there any outgo of foreign exchange during the year in the Company.

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:

- a) The Debtors Turnover Ratio, Inventory Turnover Ratio are Interest Coverage Ratio as on 31st March, 2021 are Nil, Nil and 65.30 respectively.
- b) The Current Ratio as on 31st March, 2021 is 17.65 as compared to 3.12 in the previous financial year.
- c) The Net Profit Margin for the current financial year is 87.28% compared to 38.53% in the previous financial year. In addition to above, there was change in return on Net Worth to the tune of 7.25% as compared to 0.77% in the immediately previous financial year.

## Outlook

Though the financial crisis is inevitable, considering all-out efforts by central banks and fiscal authorities, to soften the blow, deep economic slump might be avoided. 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.

The resurgence of the Covid-19 pandemic is likely to impact the performance of assets under management of retail NBFCs in 2021-22. India is among the few nations with the highest youth population, with a median age of 28 years. The domestic financial market is seen growing at a healthy pace owing to strong demand-side and supply-side drivers. Such a large share of the working population, expected growth of Indian economy, increasing urbanisation, and rising consumerism because of higher per capita incomes are some key drivers implying market growth potential for established financial service providers in India.

Going forward, household financial savings in India are expected to strengthen further with growth in the Indian economy, benign inflation and low interest rates. Consequently, the share of capital markets within financial savings will also increase due to increasing awareness and higher retail participation.

Tea Board expects that the production of the crop, which was severely affected due to the coronavirus-triggered lockdown, will improve significantly from June onwards as good monsoon is predicted by the meteorological department.

Once this pandemic is over with normalcy returning to business and economy, the capital market will start moving in a positive direction, and as witnessed in the past, recovery would be faster than expected. 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.

The Indian government has undertaken a slew of reforms, including labor reforms and corporate tax cuts to steer the economy to recovery in the next financial year. A resurgence in Covid cases, resulting restrictions and any delays in vaccination drive, can act as potential deterrent to the growth forecasts. Given the current government vaccination initiatives and efforts taken to avoid further economic loss, we expect the economic growth to sustain in the coming years

## 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.

As per Risk Management framework and procedures, management treat various category of risks and take appropriate actions for its mitigation. Company has the process of communication, consultation, monitoring and periodical review of the risks and effectiveness of the mitigation plan. 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's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee.

It lays emphasis to check on process controls, measures undertaken by the Company to monitor risk and to check for leakages or frauds.

Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

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

In keeping with our employee-first approach, we have steadily instituted measures to assure ourselves of the well-being of all our employees. The Company is into a continuous process of providing a safe work environment for our employees and stakeholders. 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.

While the nation is fighting hard against Covid and the health risks, the economic packages and the measures in pipeline to revive the economy and the most affected sectors are hopes that we thrive on to crawl out of this major crisis that we are all in.

### Cautionary Statement

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

## Annexure B

### Form AOC-1

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

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

#### Part "A" – Subsidiaries

Rs. in lakhs

Sl. No.	1	2
<b>Name of the subsidiary</b>	<b>Cinnatollah Tea Limited</b>	<b>Uttar Pradesh Trading Company Limited</b>
Reporting period for the subsidiary concerned	March 31, 2021	March 31, 2021
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Indian Rupee	Indian Rupee
Share capital	2,617.54	1,636.25
Reserves & surplus	1,709.46	25,703.00
Total assets	4,877.13	27,350.62
Total Liabilities	550.13	11.37
Investments	Nil	23,912.89
Turnover	2,799.19	491.84
Profit before taxation	695.18	464.41
Provision for taxation	Nil	Nil
Profit after taxation	560.74	406.23
Proposed Dividend	130.88	81.81
% of shareholding	100	100

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

The Company has no associates or joint ventures

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

Place: Kolkata

Date: May 10, 2021

## Annexure C

### Report on Corporate Governance

#### 1. Company's Philosophy on Corporate Governance

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

Corporate Governance is not a destination but a journey for constantly improving sustainable value creation along with legal compliance, which GSL firmly believes in. Every effort is made to follow best practices in all the functional areas and in discharging the Company's responsibilities towards all stakeholders and the community at large.

GSL 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'). In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized.

#### 2. Board of Directors

- i) During the year, the Company had in all 6 Directors with considerable professional experience in divergent areas connected with corporate functioning. Of the 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. Nandini Nopany. The composition of Board of Directors is balanced in terms of specialisation in one or more areas. The Board Diversity Policy of the Company is displayed on its website at <http://www.birla-sugar.com/Assets/Ganges/BOARD-DIVERSITY-POLICY.pdf>
- ii) Mr Santosh Kumar Poddar has relinquished his office as the Managing director of the Company with effect from March 31, 2021. He shall continue to act a Non-Executive Director on the Board.
- iii) Mrs Urvi Mittal has been appointed as the Managing Director of the Company with effect from April 01, 2021 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- iv) Mrs Nandini Nopany (DIN: 00051362), Director is retiring by rotation at the forthcoming AGM scheduled to be held on Thursday, August 26, 2021 and being eligible offers herself for re-appointment. The brief resume and other requisite details of the Director proposed to be appointed/ re-appointed forms part of the notice of ensuing AGM..
- v) 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 pecuniary relationship or transaction with the Company, its promoters, its directors, management, subsidiaries or associates;
- vi) The Company has received declaration from each of the Independent Directors of the Company confirming that he/ she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, rules framed thereunder and the Listing Regulations. It is confirmed that in the opinion of the Board of Directors, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.
- vii) As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor Chairman of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of the Listing Regulations as well as none has 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.
- viii) Independent Directors do not serve in more than 7 listed companies.
- ix) No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.
- x) 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.
- xi) The Managing Director is responsible for corporate strategy, planning, external contacts and board matters.
- xii) The Independent Directors (IDs) met on November 10, 2020 without the presence of the Chairman & Managing Director, the Non-Executive Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and 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 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.

- xiii) The Board has identified the following key skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board along with the specific area of expertise of individual Board member:

Skill	Description	Director					
		Nandini Nopany	Urvi Mittal	Santosh Kumar Poddar	Chhedi Lal Agarwal	Arun Kumar Newar	Dhiraj Ramakant Banka
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 the Listing Regulations, 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. One such specific familiarisation programme was conducted. As a part of the 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 Board has open channels of communication with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications and other related information. Directors are also informed of the various developments in the Company.

The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Director are uploaded on the website of the Company and available at the weblink- [http://www.birla-sugar.com/Assets/Ganges/Familiarisation\\_Programme\\_for\\_Independent\\_Director\\_-\\_Ganges\\_Securities\\_Limited.pdf](http://www.birla-sugar.com/Assets/Ganges/Familiarisation_Programme_for_Independent_Director_-_Ganges_Securities_Limited.pdf)

### Performance Evaluation

The Company has 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 the Listing Regulations 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 was 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, 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 per Performance Evaluation Policy and in context of the Guidance note dated January 05, 2017 issued by SEBI.

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

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

Further, the Independent Directors hold unanimous opinion that the Non- Independent Directors including the Chairperson bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

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

The Company's policy on Performance Evaluation is available on its website at <http://www.birla-sugar.com/Assets/Ganges/POLICY-ON-PERFORMANCE-EVALUATION.pdf>

### Board meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Chairperson/Managing Director as the case may be 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 is placed on the table at the meeting with specific reference to this effect in the Agenda.

During the period under review five Board Meetings were held on 24th June, 2020, 04th August, 2020, 12th October, 2020, 10th November, 2020, 08th February, 2021 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships / Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Clause 26(2) of the Listing Regulations held by them during the year 2020-21 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Public companies	No. of Chairmanship/ Membership of Board Committees in other Companies%		Names of the Listed Companies and Category of Directorship		No. of Equity Shares held
					Chairman	Member	Name of the Company	Category	
Mrs. Nandini Nopany (DIN – 00051362)	P/C/NED	5	Yes	8	-	-	Avadh Sugar & Energy Ltd. Ronson Traders Ltd.	NED	2,37,570*
Mr. Chhedi Lal Agarwal (DIN: 07778603)	I/NED	5	Yes	4	2	2	Palash Securities Limited	ID	NIL
Mr. Arun Kumar Newar (DIN- 07778968)	I/NED	5	Yes	2	2	4	Palash Securities Ltd.	ID	NIL
Mr. Dhiraj Ramakant Banka (DIN – 07642329)	I/NED	3	Yes	-	-	-	-	-	NIL
Ms. Urvi Mittal (DIN-02780842)	P/NED	5	NA	1	-	-	-	-	11775
Mr. Santosh Kumar Poddar (DIN – 0055786)	MD	5	Yes	9	1	7	Ronson Traders Ltd	-	476

C – Chairperson; CO – Co-Chairperson	I – Independent	NED - Non-executive Director	MD – Managing Director	P – Promoter
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% Membership includes Chairmanship

\* includes 37,570 equity shares held as the trustee of Chandra Shekhar Charity Trust

**Note:** The number of directorships held by the Directors does not include Private Limited Companies, Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

### 3. 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.

#### 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 the Listing Regulations (as amended from time to time) by the Board of Directors, initially at its meeting held on March 14, 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 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 the Listing Regulations.

Mr. Arun Kumar Newar, Chairman of the Audit Committee attended the Annual General Meeting of the Company to provide clarifications and answer queries, if any.

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

##### iii) Composition and Meetings

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 Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee.

4 (Four) meetings of the Audit Committee were held during the year 2020-21 24th June, 2020, 04th August, 2020, 10th November, 2020, 08th February, 2021 respectively .

The constitution of the Audit Committee and attendance details during the year are given below:

Name of the Member	Status	Category	No of meetings attended
Mr Arun Kumar Newar	Chairperson	Independent Director	4
Mr Dhiraj Ramakant Banka	Member	Independent Director	3
Mr Chhedi Lal Agarwal	Member	Independent Director	4
Mr Santosh Kumar Poddar	Member	Managing Director	4

The Company Secretary acts as Secretary to the Committee.

#### 4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of the Listing Regulations 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, 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 allotment of shares and matters incidental thereto including listing thereof. 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 and related matters. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

##### i) Composition & Meetings:

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

- a) Mr Arun Kumar Newar - Chairman
- b) Mr Chhedi Lal Agarwal
- c) Mr Santosh Kumar Poddar

During the period under review the Committee met five times on 24th June, 2020, 04th August, 2020, 24th August, 2020, 10th November, 2020, 08th February, 2021 respectively.

The constitution of the Stakeholders' Relationship Committee and attendance details during the year are given below:

Name of the Member	Status	Category	No of meetings attended
Mr Arun Kumar Newar	Chairperson	Independent Director	4
Mr Chhedi Lal Agrwal	Member	Independent Director	4
Mr Santosh Kumar Poddar	Member	Managing Director	4

The Board of Directors have authorised the Secretary to approve transfers/ transmissions of shares in physical form upto 999 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 thereby 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 '[gangessecurities@birlasugar.org](mailto:gangessecurities@birlasugar.org)' on a day to day basis.

During the financial year ended March 31, 2021, the Company did not receive any complaints from the equity shareholders.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of the Listing Regulations, 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.

It has been a constant endeavour of the Company to send regular communications to the shareholders keeping them abreast of all the latest events, press releases and corporate announcements as and when the same are made by the Company from time to time.

#### 5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company was constituted in line with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

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 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 the Listing Regulations.

**i) 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 and removal.

**ii) Composition and Meetings:**

The Committee, comprises of the following Directors:

- a) Mr Dhiraj Ramakant Banka - Chairman
- b) Mr Chhedi Lal Agarwal
- c) Mr Arun Kumar Newar

During the period under review the Committee met once on 24th June, 2021.

The constitution of the Nomination and Remuneration Committee and attendance details during the year are given below:

Name of the Member	Status	Category	No of meetings attended
Mr Dhiraj Ramakant Banka	Chairperson	Independent Director	1
Mr Chhedi Lal Agarwal	Member	Independent Director	1
Mr Arun Kumar Newar	Member	Independent Director	1

**iii) 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 is available on Company's website at [http://www.birla-sugar.com/Assets/Ganges/Remuneration-Policy\\_Ganges.pdf](http://www.birla-sugar.com/Assets/Ganges/Remuneration-Policy_Ganges.pdf)

**iv) Remuneration of Directors**

Detail of remuneration paid to the Directors for the financial year 2020-21:

Sl. No.	Name of the Director	Amount (₹)
1	Mrs. Nandini Nopany	25,000
2	Mr. Chhedi Lal Agarwal	50,000
3	Mr. Santosh Kumar Poddar	NIL
4	Mr. Arun Kumar Newar	50,000
5	Mr. Dhiraj Ramakant Banka	25,000
6	Mrs. Urvi Mittal	25,000

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

## 6. Subsidiary Companies

As on 31st March, 2021 the Company has two subsidiaries. The Board of Directors has formulated a Policy for determining material subsidiaries in its meeting, which was updated as per prevailing norms and such updated Policy has been disclosed on the company website at <http://birla-sugar.com/Assets/Ganges/Ganges- Securities-Policy-for-Determining-Material-Subsidiaries.pdf>

## 7. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on an arms' 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. Suitable disclosure as required by the Accounting Standards (AS) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions, which has been updated as per prevailing norms and such updated Policy has been disclosed on the company website at <http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Related-Party-Transaction-Policy.pdf>

## 8. 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 and which has been amended from time to time with prevailing norms. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

## 9. Policy against Sexual Harassment of Women at Workplace

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. As per the Policy, any employee may report his/her complaint to the Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

During the financial year 2020-21, the Company has not received any complaint on sexual harassment from any of the women employees of the Company, neither there were any pending complaints which were to be disposed off nor there were any complaints pending as on the end of the FY 2020-21.

## 10. General Body Meetings

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

Financial Year	Date	Time	Location
2019-20	23.09.2020	11.00 a.m	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2018-19	03.09.2019	10.00 a.m.	
2017-18	25.09.2018	10.30 a.m.	

The last Annual General Meeting was held on 23rd September, 2020, was chaired by Mrs Nandini Nopany.

### (ii) The following Special Resolution were passed at the previous three Annual General Meetings:

- Re-appointment of Mr Santosh Kumar Poddar as the Managing Director of the Company.
- Redemption of preference shares of the Company pursuant to Section 55(3) of the Companies Act, 2013.

At the forthcoming Annual General Meeting, there are no special resolutions for which the Listing Regulations or the Act has recommended / mandated postal ballot.

## 11. 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 the Listing Regulations with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Ltd (CSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English in Lucknow and 'Business Standard' in Hindi in Lucknow edition.
- Owing to disruptions caused by COVID 19, several relaxations have been provided by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), the timeline for approval of financial results for the quarter ended March 30, 2020 had been extended till June 30, 2020 by the afore mentioned regulatory authorities.
- The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.
- The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website [www.birla-sugar.com](http://www.birla-sugar.com) and can be downloaded.
- Email id earmarked for redressing Investor queries is [gangessec@birla-sugar.com](mailto:gangessec@birla-sugar.com).

## 12. General Shareholders' Information

### i) 7th Annual General Meeting

Day: Thursday

Date: August 26, 2019

Time: 11:00 A.M

Venue: 7th AGM will be held through video conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at P O Hargaon, District Sitapur, Uttar Pradesh – 261 121

### ii) Tentative Financial Calendar for the year 2021-22

#### Approval of Audited Annual Results (2021-22)

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

### iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from the Friday, August 20, 2021, to Thursday, August 26, 2021 (both days inclusive).

### iv) Dividend Payment Date

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

### v) Listing on Stock Exchanges and Stock Codes

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

Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	540647	INE335W01016
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	GANGESSECU	

During the year, the Company had applied for voluntary delisting of equity shares of the Company from the Calcutta Stock Exchange Limited ('CSE'). The Exchange has issued a granted the application and delisted the shares of the Company with effect from February 26, 2021.

### vi) Transfer of shares in Unclaimed Suspense Account

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

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2020	-	-
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2020-21	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2020-21	-	-
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2021*	192	42171

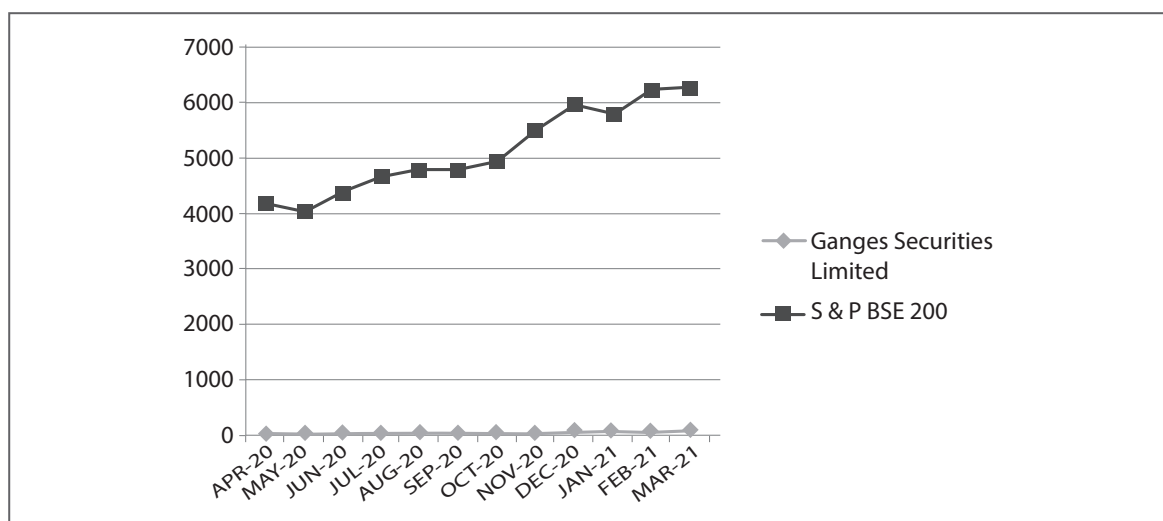
\*The Company is in the process of transferring the equity shares into one folio in the name of Unclaimed Suspense Account and dematerialisation of these shares thereafter

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

**vii) Market Price data**

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

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2020	30.10	20.00	28.00	19.45
May, 2020	25.60	20.75	25.90	20.25
June, 2020	41.55	23.25	38.95	22.80
July, 2020	35.00	27.6	35.45	26.75
August, 2020	42.00	29.00	40.40	29.50
September, 2020	48.00	35.50	48.35	34.45
October, 2020	54.95	40.50	55.10	39.10
November, 2020	47.40	37.50	47.20	36.00
December, 2020	65.50	46.00	69.50	45.10
January, 2021	64.00	53.00	66.00	50.30
February, 2021	84.90	53.60	77.50	54.25
March, 2021	66.75	57.00	65.95	52.00

**viii) Performance of Company's Equity Shares in comparison to BSE and S&P BSE 200****ix) 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: Ganges Securities Limited

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

Tel: 91 033 4004972, Fax : 91 033-4073 / 1698

E-mail: kolkata@linkintime.co.in

**x) Share Transfer System**

The Board of Directors have authorised the Secretary to approve transfer/transmission of upto 999 shares. After the requests for transfer/transmission of above 1000 shares in physical form shall be approved by the Stakeholders' Relationship Committee and sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders. During the financial year 234 Equity Shares were transferred/ transmitted.

**xi) Distribution of Shareholding**
**a) Equity Share Capital History**

The Paid up Capital of the Company consists of 1,00,03,687 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	10003687	10

**b) The Distribution of Shareholding as on 31st March, 2021 was as follows:**

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -500	4712	89.43	380044.00	3.80
501 - 1000	240	4.55	176021.00	1.76
1001 – 2000	123	2.33	184757.00	1.85
2001 – 3000	41	0.78	98185.00	0.98
3001 – 4000	23	0.44	83489.00	0.83
4001 – 5000	22	0.42	101877.00	1.02
5001 – 10000	37	0.70	242450.00	2.42
10001 and above	71	1.35	8736864.00	87.34
<b>Total</b>	<b>5269</b>	<b>100.00</b>	<b>10003687</b>	<b>100.00</b>

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

Category	No. of Shares held	% of Shareholding
Promoters	61,79,396	61.77
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	3,44,668	3.45
Bodies Corporate	5,01,246	5.01
Indian Public	29,49,162	29.48
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	29,215	0.28
<b>Total</b>	<b>1,00,03,687</b>	<b>100.00</b>

**xii) Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd., The National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 9893650 Equity Shares viz. 98.90% of the Equity Share Capital of the Company have already been dematerialized.

**xiii) Outstanding GDRs / ADRs/Warrants or Convertible Instrument**

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

**xiv) Commodities price risk or foreign exchange risk and hedging:**

Not Applicable

**xv) Address for Correspondence:**

The Company Secretary,	Link Intime India Pvt. Ltd.
Ganges Securities Limited	Unit : Ganges Securities Limited
9/1, R.N. Mukherjee Road, 5th Floor, Birla Building	Room Nos.: 502 & 503, 5th floor Vaishno Chamber, 6 Brabourne Road
Kolkata - 700 001, India	Kolkata – 700 001, India
Te : 91 - 033 - 2243 0497/8	Tel : 033- 4004 9728 / 033- 4073 1698
Fax : 91 - 033 - 2248 6369	Fax : 033-4073 1698
e-mail: gangessec@birla-sugar.com	e-mail: kolkata@linkintime.co.in



**xvi) 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.

**13. CEO and CFO Certification**

The Managing Director and the Chief Financial Officer of the Company have certified that all the requirements of the Listing) Regulations inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2021, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

**14. Information about Directors seeking appointment/re-appointment**

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

**15. 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 promoters, employees and directors including the Executive Chairman and Managing Director. 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 [www.birla-sugar.com](http://www.birla-sugar.com). 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 Directors and the designated employees 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 employees have confirmed compliance with the Code.

**16. Code of Conduct & Ethics**

The Company has also adopted a Code of Conduct and Ethics (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/Ganges/Ganges-Securities-Code-of\\_Conduct.pdf](http://birla-sugar.com/Assets/Ganges/Ganges-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 Whole time Director is attached to this report and which forms an integral part of this report.

**17. 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 and heads of different departments. The Board also reviews periodically the steps taken by the Company to rectify instances of non-compliance if there be any.

**18. 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.

**19. 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 and the same have become effective from July 01, 2015. 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.

## 20. Secretarial Audit

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, 1956 (as applicable), Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Listing Regulations, 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended March 31, 2021 is provided in the Annual Report.

In addition to the Secretarial Audit Report, SEBI vide its Circular dated 8th February 2019 has mandated on annual basis a check by the company secretary in practice on compliance of SEBI Regulations and circulars/ guidelines issued thereunder and to submit a compliance report to the Company within 60 days of the end of the financial year, which was carried out the M/s Vinod Kothari & Co, Practising Company Secretary and their report was submitted to Stock Exchange in stipulated time.

## 21. 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 29 of the Accounts in the Annual Report.
- ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- iii) The Company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- iv) The Company has complied with all the applicable mandatory requirements.

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.

- v) 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 and Note 23 to the Standalone and Consolidated Financial Statements respectively.
- vi) During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Regulation 32(7A) of the Listing Regulations, as amended from time to time.
- vii) There were no instances where Board had not accepted any recommendations/ suggestions of any committee of Board which is mandatorily required during the financial year 2020-21.
- viii) None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by SEBI / Ministry of Corporate Affairs / Statutory Authorities, which has also been confirmed by Messrs. A K Labh & Co., Practising Company Secretaries, a copy whereof is attached and marked as **Annexure "A1"**
- ix) Confirmation by the Board with respect to the Independent Directors is provided in the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts.

## 22. Discretionary Requirement

- a) **Chairperson of the Board:** Chairperson is entitled to maintain a Chairperson's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of her duties maintenance of Chairperson Office at the Company's expense.
- b) **Shareholder rights :**

The quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website.

The Annual Report of the Company for the financial year 2020-21 shall be emailed to the Members whose email addresses are available

with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014.

The Company communicates with shareholders through e-mail, telephone and one on one meeting either in shareholder's meetings, Company visits etc.

- c) Modified opinion(s) in audit report:** Company is following 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 March 31, 2021.
- d) Separate posts of Chairperson and CEO:** The Company has appointed separate persons to the post of Chairperson and Managing Director/CEO.  
The positions of Chairman and Managing Director are separate.
- e) Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee.  
The Internal Auditor of the Company is invited to the Audit Committee Meeting as and when deemed necessary and reports the audit findings to the Audit Committee.

### 23. Web links to Company policies and programmes

The Company's policies and programmes as prescribed under the Listing Regulations are available at:

Sl. No.	Codes and policies	Web link
1.	Code for Fair Disclosure of Unpublished Price Sensitive Information	<a href="http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf">http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf</a>
2.	Code of conduct	<a href="http://birla-sugar.com/Assets/Ganges/Ganges-Securities-Code-of_Conduct.pdf">http://birla-sugar.com/Assets/Ganges/Ganges-Securities-Code-of_Conduct.pdf</a>
3.	Policy for determining material subsidiaries	<a href="http://birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-for-Determining-Material-Subsidiaries.pdf">http://birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-for-Determining-Material-Subsidiaries.pdf</a>
4.	Policy for determination of materiality	<a href="http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-on-Determination-of-Materiality.pdf">http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-on-Determination-of-Materiality.pdf</a>
5.	Policy on preservation of documents including archival	<a href="http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-on-preservation-of-documents-including-archival.pdf">http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-on-preservation-of-documents-including-archival.pdf</a>
6.	Related Party Transactions Policy	<a href="http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Related-Party-Transaction-Policy.pdf">http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Related-Party-Transaction-Policy.pdf</a>
7.	Whistle Blower Policy	<a href="http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Whistle-Blower-Policy.pdf">http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Whistle-Blower-Policy.pdf</a>
8.	Familiarisation Programme	<a href="http://www.birla-sugar.com/Assets/Ganges/Familiarisation_Programme_for_Independent_Director_-_Ganges_Securities_Limited.pdf">http://www.birla-sugar.com/Assets/Ganges/Familiarisation_Programme_for_Independent_Director_-_Ganges_Securities_Limited.pdf</a>

### 24. 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

Pursuant to Schedule V of the Listing Regulations, 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) of the Listing Regulations.

## Annexure D

### Certificate on Code of Conduct

To  
The Members  
**Ganges 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 Santosh Kumar Poddar, Managing Director of **Ganges Securities Limited**, declare that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the financial year 2020-21.

Place : Kolkata  
Date : March 31, 2021

Santosh Kumar Poddar  
**Managing Director**  
DIN: 00055786

## Annexure E

### Independent Auditor's Report on Corporate Governance

To

The Members of

**Ganges Securities Limited**

We have examined the compliance of conditions of Corporate Governance by **Ganges Securities Limited** ("the Company") for the year ended on 31st March, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

#### Management's Responsibility

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

#### Auditor's Responsibility

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

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

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

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

#### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2021

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

For, **AGRAWAL SUBODH & CO**

Chartered Accountants

Firm Reg No: 319260E

**Chetan Kumar Nathani**

Partner

Membership No. 310904

UDIN: 21310904AAAAAQ4589

Place: Kolkata

Date: 10th May, 2021

## Annexure A1

### Certificate of Non-Disqualification of Directors

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

To,  
The Members of  
**Ganges Securities Limited**  
P.O. - Hargaon, Dist. - Sitapur  
Uttar Pradesh - 261121

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ganges Securities Limited having CIN : L74120UP2015PLC069869 and having registered office at P.O. - Hargaon, Dist. - Sitapur, Uttar Pradesh – 261121 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Nandini Nopany	00051362	02.08.2016
2.	Santosh Kumar Poddar	00055786	30.03.2015
3.	Urvi Nopany	02780842	23.03.2020
4.	Dhiraj Ramakant Banka	07642329	14.03.2017
5.	Chhedi Lal Agarwal	07778603	13.05.2019
6.	Arun Kumar Newar	07778968	30.03.2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date : 10.05.2021

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

## Annexure F

## Form No. MGT-9

### Extract of Annual Return as on the financial year ended on 31st March, 2021

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

## I. Registration and Other Details

CIN	L74120UP2015PLC069869
Registration Date	30-03-2015
Name of the Company	Ganges 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	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Room Nos.: 502 & 503, 5th floor Vaishno Chamber, 6 Brabourne Road Kolkata – 700 001 Tel Nos : 033- 4004 9728 / 033- 4073 1698 Fax No. : 033-4073 1698 Email : kolkata@linkintime.co.in

## 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	% of total turnover of the company
1	Other financial service activities, except in insurance and pension funding activities	649	95.34
2	Rental and leasing activities	681	4.66

## 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.	Uttar Pradesh Trading Company Limited	U15424WB1951PLC019450	Subsidiary	100%	2(87)
2.	Cinnatollah Tea Limited	U15122UP2015PLC069633	Subsidiary	100%	2(87)

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

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	
<b>Promoter and Promoter Group</b>									
<b>Indian</b>									
Individuals/Hindu Undivided Family	283606	0	283606	'2.8350	283606	0	283606	2.8350	'0.0000
Central Government/State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Bodies Corporate	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Financial Institutions/Banks									
Any Other	464174	0	464174	'4.6400	464174	0	464174	'4.6400	'0.0000
-Promoter Trust	5269190	0	5269190	'52.6725	5431616	0	5431616	'54.2961	'1.6236
<b>Sub-Total (A)(1)</b>	<b>6016970</b>	<b>0</b>	<b>6016970</b>	<b>'60.1475</b>	<b>6179396</b>	<b>0</b>	<b>6179396</b>	<b>'61.7712</b>	<b>'1.6237</b>
<b>Foreign</b>									
Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Bodies Corporate	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Qualified Foreign Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Any Other (Total)									
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>'0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>'0.0000</b>	<b>'0.0000</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>6016970</b>	<b>0</b>	<b>6016970</b>	<b>60.1475</b>	<b>6179396</b>	<b>0</b>	<b>6179396</b>	<b>61.7712</b>	<b>1.6237</b>
<b>Public shareholding</b>									
<b>Institutions</b>									
Mutual Funds/UTI	0	736	736	'0.0074	0	736	736	'0.0074	'0.0000
Financial Institutions/Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Central Government/State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Foreign Institutional Investors	21	278	299	'0.0030	0	278	278	'0.0028	'-0.0002
Foreign Venture Capital Investors	343654	0	343654	'3.4353	343654	0	343654	'3.4353	'0.0000
Qualified Foreign Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Any Other (Total)									
<b>Sub-Total (B)(1)</b>	<b>343675</b>	<b>1014</b>	<b>344689</b>	<b>'3.4456</b>	<b>343654</b>	<b>1014</b>	<b>344668</b>	<b>'3.4454</b>	<b>'-0.0002</b>



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

## i) Category-wise Shareholding (Contd.)

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	
<b>Non-institutions</b>	-	-	-	-	-	-	-	-	-
Bodies Corporate	416186	19844	436030	'4.3587	481402	19844	501246	'5.0106	'0.6519
Individuals - i. Individual									
Shareholders Holding Nominal Share Capital Up To >Rs. 2 Lakh.	1122055	65582	1187637	'11.8720	1029557	65419	1094976	'10.9457	'-0.9263
Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 2 Lakh	1124290	23360	1147650	'11.4723	1084206	23360	1107566	'11.0716	'-0.4007
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Clearing Member	1044	0	1044	'0.0104	3309	0	3309	'0.0331	'0.0227
Market Maker	438	0	438	'0.0044	438	0	438	'0.0044	'0.0000
Directors/Relatives	-	-	-	-	-	-	-	-	-
Foreign Company	-	-	-	-	-	-	-	-	-
Foreign National	0	234	234	'0.0023	0	0	0	'0.0000	'-0.0023
HUF	220393	0	220393	'2.2031	125154	0	125154	'1.2511	'-0.9520
Non Resident Indians (Non Repat)	16188	0	16188	'0.1618	15926	0	15926	'0.1592	'-0.0026
Non Resident Indians (Repat)	10945	3	10948	'0.1094	9539	3	9542	'0.0954	'-0.0140
Office Bearers	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-	-
Societies	621466	0	621466	'6.2124	621466	0	621466	'6.2124	'0.0000
<b>Sub-Total (B)(2)</b>	<b>3533005</b>	<b>109023</b>	<b>3642028</b>	<b>'36.4069</b>	<b>3370997</b>	<b>108626</b>	<b>3479623</b>	<b>'34.7834</b>	<b>'-1.6235</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>3876680</b>	<b>110037</b>	<b>3986717</b>	<b>'39.8525</b>	<b>3714651</b>	<b>109640</b>	<b>3824291</b>	<b>'38.2288</b>	<b>'-1.6237</b>
<b>TOTAL (A)+(B)</b>	<b>9893650</b>	<b>110037</b>	<b>10003687</b>	<b>'100.0000</b>	<b>9894047</b>	<b>109640</b>	<b>10003687</b>	<b>'100.0000</b>	<b>'0.0000</b>
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>9893650</b>	<b>110037</b>	<b>10003687</b>	<b>'100.0000</b>	<b>9894047</b>	<b>109640</b>	<b>10003687</b>	<b>'100.0000</b>	<b>'0.0000</b>

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

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
SIL INVESTMENTS LIMITED	1338430	'13.3794	'0.0000	1338430	'13.3794	'0.0000	'0.0000
NEW INDIA RETAILING AND INVESTMENT LTD	838367	'8.3806	'0.0000	838367	'8.3806	'0.0000	'0.0000
YASHOVARDHAN INVESTMENT & TRADING CO. LTD.	589759	'5.8954	'0.0000	589759	'5.8954	'0.0000	'0.0000
HARGAON INVESTMENT & TRADING CO. LTD.	569252	'5.6904	'0.0000	569252	'5.6904	'0.0000	'0.0000
CHANDRA SHEKHAR NOPANY-TRUSTEE, SHRUTI FAMILY TRUST	464163	'4.6399	'0.0000	464163	'4.6399	'0.0000	'0.0000
RTM INVESTMENT AND TRADING CO. LTD.	356822	'3.5669	'0.0000	356822	'3.5669	'0.0000	'0.0000
RONSON TRADERS LIMITED	327995	'3.2787	'0.0000	352995	'3.5286	'0.0000	'0.2499
SCM INVESTMENT & TRADING CO. LTD.	302784	'3.0267	'0.0000	302784	'3.0267	'0.0000	'0.0000
NANDINI NOPANY	237570	'2.3748	'0.0000	237570	'2.3748	'0.0000	'0.0000
CHAMPARAN MARKETING CO. LTD.	225672	'2.2559	'0.0000	225672	'2.2559	'0.0000	'0.0000
OSM INVESTMENT & TRADING CO. LTD.	203221	'2.0315	'0.0000	203221	'2.0315	'0.0000	'0.0000
NILGIRI PLANTATIONS LIMITED	119394	'1.1935	'0.0000	119394	'1.1935	'0.0000	'0.0000
SIDH ENTERPRISES LTD.	90423	'0.9039	'0.0000	90423	'0.9039	'0.0000	'0.0000
NARKATIAGANJ FARMS LIMITED	74760	'0.7473	'0.0000	74760	'0.7473	'0.0000	'0.0000
SONALI COMMERCIAL LTD.	66428	'0.6640	'0.0000	66428	'0.6640	'0.0000	'0.0000
RAJPUR FARMS LIMITED	57773	'0.5775	'0.0000	57773	'0.5775	'0.0000	'0.0000
DEEPSHIKHA TRADING CO. PRIVATE LIMITED	40054	'0.4004	'0.0000	52480	'0.5246	'0.0000	'0.1242
CHANDRA SHEKHAR NOPANY	34261	'0.3425	'0.0000	34261	'0.3425	'0.0000	'0.0000
SHREE VIHAR PROPERTIES LTD	27284	'0.2727	'0.0000	27284	'0.2727	'0.0000	'0.0000
LA MONDE TRADING & INVESTMENTS PRIVATE LTD	21785	'0.2178	'0.0000	21785	'0.2178	'0.0000	'0.0000
PALASH SECURITIES LIMITED	16060	'0.1605	'0.0000	16060	'0.1605	'0.0000	'0.0000
URVI MITTAL	11775	'0.1177	'0.0000	11775	'0.1177	'0.0000	'0.0000
UTTAM COMMERCIAL LTD.	1927	'0.0193	'0.0000	126927	'1.2688	'0.0000	'1.2495
PAVAPURI TRADING AND INVESTMENT COMPANY LTD.	1000	'0.0100	'0.0000	1000	'0.0100	'0.0000	'0.0000
CHANDRA SHEKHAR NOPANY-TRUSTEE, SHRUTI FAMILY TRUST	11	'0.0001	'0.0000	11	'0.0001	'0.0000	'0.0000

**iii) Change in Promoters' Shareholding**

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

Particulars	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
At the beginning of the year	5962264	59.60	-	-
Changes during the year	54706	0.55	54706	0.55
At the end of the year	-	-	6016970	60.15

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	NAVJEEWAN MEDICAL INSTITUTE	621466	6.2124			621466	6.2124
	AT THE END OF THE YEAR					621466	6.2124
2	LIFE INSURANCE CORPORATION OF INDIA	343654	3.4353			343654	3.4353
	AT THE END OF THE YEAR					343654	3.4353
3	MANU GOPALDAS CHHABRIA	178017	1.7795			178017	1.7795
	Transfer			21 Aug 2020	7535	185552	1.8548
	Transfer			28 Aug 2020	1400	186952	1.8688
	Transfer			04 Sep 2020	800	187752	1.8768
	Transfer			11 Sep 2020	600	188352	1.8828
	Transfer			25 Sep 2020	(534)	187818	1.8775
	Transfer			30 Sep 2020	(450)	187368	1.8730
	AT THE END OF THE YEAR					187368	1.8730
4	MOHAN GUPTA	159097	1.5904			159097	1.5904
	Transfer			15 May 2020	20903	180000	1.7993
	AT THE END OF THE YEAR					180000	1.7993
5	RAVIRAJ DEVELOPERS LTD	0	0.0000			0	0.0000
	Transfer			30 Jun 2020	13137	13137	0.1313
	Transfer			04 Sep 2020	122588	135725	1.3567
	Transfer			18 Sep 2020	1000	136725	1.3667
	Transfer			06 Nov 2020	700	137425	1.3737
	Transfer			11 Dec 2020	3783	141208	1.4116
	Transfer			18 Dec 2020	500	141708	1.4166
	Transfer			25 Dec 2020	2265	143973	1.4392
	Transfer			29 Jan 2021	3000	146973	1.4692
	Transfer			05 Feb 2021	2066	149039	1.4898
	Transfer			12 Feb 2021	(5000)	144039	1.4399
	Transfer			19 Feb 2021	8508	152547	1.5249
	AT THE END OF THE YEAR					152547	1.5249

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
6	THE HINDUSTAN TIMES LIMITED	0	0.0000			0	0.0000
	Transfer			31 Dec 2020	122475	122475	1.2243
	AT THE END OF THE YEAR					122475	1.2243
7	MANJU GAGGAR	29	0.0003			29	0.0003
	Transfer			30 Sep 2020	5306	5335	0.0533
	Transfer			02 Oct 2020	24694	30029	0.3002
	Transfer			16 Oct 2020	22000	52029	0.5201
	Transfer			11 Dec 2020	21000	102661	1.0262
	AT THE END OF THE YEAR					102661	1.0262
	BHARATH C JAIN	0	0.0000			0	0.0000
8	Transfer			18 Dec 2020	12873	12873	0.1287
	Transfer			25 Dec 2020	21889	34762	0.3475
	Transfer			31 Dec 2020	6417	41179	0.4116
	Transfer			08 Jan 2021	14040	55219	0.5520
	AT THE END OF THE YEAR					55219	0.5520
9	JYOTSNA PODDAR	51256	0.5124			51256	0.5124
	AT THE END OF THE YEAR					51256	0.5124
9	SHOBHANA BHARTIA	51256	0.5124			51256	0.5124
	AT THE END OF THE YEAR					51256	0.5124
10	SHASHI AGARWAL	50152	0.5013			50152	0.5013
	Transfer			17 Apr 2020	2205	52357	0.5234
	Transfer			24 Apr 2020	2465	54822	0.5480
	Transfer			15 May 2020	3875	58697	0.5868
	Transfer			12 Jun 2020	(1000)	57697	0.5768
	Transfer			21 Aug 2020	(250)	57447	0.5743
	Transfer			04 Sep 2020	(801)	56646	0.5663
	Transfer			18 Sep 2020	(4021)	52625	0.5261
	Transfer			30 Sep 2020	(2801)	49824	0.4981
	Transfer			02 Oct 2020	(292)	49532	0.4951
	Transfer			09 Oct 2020	(5607)	43925	0.4391
	Transfer			23 Oct 2020	(772)	43153	0.4314
	Transfer			13 Nov 2020	(1822)	41331	0.4132
	Transfer			20 Nov 2020	(1)	41330	0.4131
	Transfer			27 Nov 2020	(4288)	37042	0.3703
	Transfer			04 Dec 2020	(5701)	31341	0.3133
	Transfer			11 Dec 2020	(1300)	30041	0.3003
Transfer			18 Dec 2020	(5000)	25041	0.2503	

## 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.)

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			05 Feb 2021	(7000)	18041	0.1803
	Transfer			12 Feb 2021	(1000)	17041	0.1703
	Transfer			26 Feb 2021	(50)	16991	0.1698
	Transfer			12 Mar 2021	(221)	16770	0.1676
	Transfer			26 Mar 2021	(291)	16479	0.1647
	AT THE END OF THE YEAR					16479	0.1647
<b>11</b>	G SHANKAR	127300	1.2725			127300	1.2725
	Transfer			24 Apr 2020	700	128000	1.2795
	Transfer			15 May 2020	1500	129500	1.2945
	Transfer			14 Aug 2020	2500	132000	1.3195
	Transfer			20 Nov 2020	1000	133000	1.3295
	Transfer			04 Dec 2020	(8000)	125000	1.2495
	Transfer			11 Dec 2020	(25000)	100000	0.9996
	Transfer			18 Dec 2020	(25577)	74423	0.7440
	Transfer			25 Dec 2020	(29175)	45248	0.4523
	Transfer			31 Dec 2020	(9334)	35914	0.3590
	Transfer			01 Jan 2021	(625)	35289	0.3528
	Transfer			08 Jan 2021	(17070)	18219	0.1821
	Transfer			15 Jan 2021	(18219)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
<b>12</b>	EARTHSTONE HOLDING (TWO) PRIVATE LIMITED	122475	1.2243			122475	1.2243
	Transfer			25 Dec 2020	(122475)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
<b>13</b>	SHARAD KUM JAIN SONS HUF	98000	0.9796			98000	0.9796
	Transfer			10 Apr 2020	(11099)	86901	0.8687
	Transfer			17 Apr 2020	(31501)	55400	0.5538
	Transfer			24 Apr 2020	(5400)	50000	0.4998
	Transfer			01 May 2020	(5856)	44144	0.4413
	Transfer			08 May 2020	(134)	44010	0.4399
	Transfer			15 May 2020	(18856)	25154	0.2514
	Transfer			22 May 2020	(5154)	20000	0.1999
	Transfer			09 Oct 2020	(12900)	7100	0.0710
	Transfer			16 Oct 2020	2900	10000	0.1000
	Transfer			18 Dec 2020	(10000)	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.)**
**v) Shareholding of Directors and Key Managerial Personnel:**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mrs. Nandini Nopany Chairperson</b>				
At the beginning of the year	2,37,570	2.37	-	-
Changes during the year	-	-	2,37,570	2.37
<b>At the end of the year</b>	<b>2,37,570</b>	<b>2.37</b>	<b>2,37,570</b>	<b>2.37</b>

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mr Santosh Kumar Poddar Managing Director</b>				
At the beginning of the year	476	0.00	-	-
Changes during the year	-	-	476	0.00
<b>At the end of the year</b>	<b>476</b>		<b>476</b>	<b>0.00</b>

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mrs. Urvi Mittal Director</b>				
At the beginning of the year	11,775	0.12	-	-
Changes during the year	-	-	11,775	0.12
<b>At the end of the year</b>	<b>11,775</b>	<b>0.12</b>	<b>11,775</b>	<b>0.12</b>

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mr. Arun Kumar Newar Director</b>				
At the beginning of the year	-	-	-	-
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mr. Chhedi Lal Agarwal Director</b>				
At the beginning of the year	-	-	-	-
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mr. Dhiraj Ramakant Banka Director</b>				
At the beginning of the year	-	-	-	-
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## V) Indebtedness

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

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

Note: Preference Shares not considered as debt.

## VI) Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

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

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

Particulars of Remuneration	Name of Director			Total Amount
	Mr Arun Kumar Newar	Mr Chhedi Lal Agarwal	Mr Dhiraj Ramkant Banka	
Fee for attending Board/Committee Meetings	50,000	50,000	25,000	1,25,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total B (1)</b>	<b>50,000</b>	<b>50,000</b>	<b>25,000</b>	<b>1,25,000</b>

**2. Other Non-Executive Directors**

Particulars of Remuneration	Mrs Nandini Nopany	Mrs Urvi Mittal	Total Amount
Fee for attending Board/Committee Meetings	25,000	25,000	50,000
Commission	-	-	-
Others, please specify	-	-	-
Total B (2)	25,000	25,000	50,000
<b>Total (B) = (B)(1)+(B)(2)</b>	<b>-</b>	<b>-</b>	<b>1,75,000</b>

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

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



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

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

## Annexure G1

### Form No. MR-3 Secretarial Audit Report For the Financial Year Ended on March 31, 2021

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

To,  
The Members,  
**Ganges Securities Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ganges Securities Limited** [hereinafter called '**the Company**'] for the financial year ended 31st March, 2021 ['**Audit Period**']. Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as provided in **Annexure I** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period, covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records as maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - f. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company); Not Applicable
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

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

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

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

### Management and Auditor Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same has taken place with very limited physical access in view of the prevailing lockdown due to the outbreak of COVID-19.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
7. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
8. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
9. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

### We further report that:

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

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

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

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

**We further report that** during the audit period, the Company has not undertaken any specific event/action that can have a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

#### 1. Issuance of 8.5% Non-Convertible Cumulative Redeemable Preference Shares ("NCCRPS") to redeem 12% Non-Convertible Cumulative Redeemable Preference Shares ("NCCRPS")

During the Audit Period, the Board of Directors at its meeting held on 12th October, 2020 noted that the Scheme, as filed before the Hon'ble NCLT, Allahabad Bench pursuant to the provision of 55 (3) of the Act 2013 w.r.t. issuance of 2,40,000 (Two Lakhs Forty Thousand), 8.5% Non-Convertible Cumulative Redeemable Preference Shares ("NCCRPS") of face value of Rs. 100/- (Rupees One Hundred) each, aggregating to Rs. 2,40,00,000/- (Rupees Two Crore Forty Lakhs Only) to redeem the existing 1,50,000 (One Lakhs Fifty Thousand), 12% Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) of face value of Rs. 100/- (Rupees One Hundred) each, aggregating to Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) and the unpaid accrued dividend there on amounting to Rs. 90,00,000/- (Rupees Ninety Lakhs) upto the date of the AGM, has been approved by the Hon'ble Bench vide order dated 24th September, 2020.

## 2. Voluntary Delisting from Calcutta Stock Exchange

During the Audit Period, the Board of Directors at its meeting dated 10th November, 2020 considered and approved voluntary delisting of equity shares of the Company from The Calcutta Stock Exchange Limited ('CSE') in terms of SEBI (Delisting of Equity Shares) Regulations, 2009 as amended, given that no trading of the equity shares of the Company had been done at CSE since the date of listing. CSE has granted approval for such voluntary delisting of the Equity Shares of the Company with effect from February 26, 2021.

The Equity Shares of the Company will continue to remain listed with National Stock Exchange Limited and BSE Limited.

## 3. Approval w.r.t. Change of Appointed Date of the scheme of amalgamation between Uttar Pradesh Trading Company Limited and Ganges Securities Limited

During the Audit Period, the Board of Directors at its Meeting held on August 4, 2020 considered and approved 'change of Appointed Date' for a Scheme of Amalgamation between Ganges Securities Limited ("GSL") and Uttar Pradesh Trading Company Limited ("UP Trading") from 1st April, 2019 to 1st April, 2020, in view of the ongoing Covid-19 pandemic and consequent lockdown in the country the process for seeking approval of the Scheme from the NCLT may not conclude by 31 March, 2021.. The said Scheme was approved by the Board at its meeting dated November 6, 2019, with a view to simplify their Group structure.

## 4. Application for registration as a Non- Banking Financial Company (NBFC) with RBI

During the Audit Period, the Board of Directors of the Company, at its meeting dated 10th November, 2020, in consonance with RBI provisions considered again and approved applying for registration of the Company as NBFC, given that pursuant to the proposed merger of UP Trading with the Company, the registration granted by RBI to UP Trading shall stand integrated/transferred to the benefit of the Company and the Company will be registered as a NBFC with the RBI.

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

**Barsha Dikshit**  
Partner  
Membership No: ACS 48152  
CP No.: 18060  
UDIN:A048152C000271441

Place: Kolkata  
Date: 10.05.2021

## Annexure A1

### List of Documents

1. Minutes of the following meetings
  - a. Board Meeting;
  - b. Audit Committee;
  - c. Nomination and Remuneration Committee;
  - d. Stakeholders Relationship Committee;
  - e. General Meetings;
2. Annual Report 2019-20;
3. Notice and Agenda for Board and Committee Meeting.
4. Disclosures under Act, 2013 and Listing Regulations;
5. Policies framed under Act, 2013 and Listing Regulations;
6. Registers maintained under Companies Act, 2013;
7. Forms and returns filed with the ROC and Stock Exchanges;;
8. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015;
9. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

## Annexure G2

**Form No. MR-3**  
**Secretarial Audit Report**  
**For the Financial Year Ended on March 31, 2021**  
*[Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015]*

To,  
 The Members,  
**Cinnatollah Tea Limited**  
 Kolkata - 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cinnatollah Tea Limited** [CIN: U15122UP2015PLC069633] (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder, to the extent applicable;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder, to the extent applicable;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable to it:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 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. Tea Act, 1953;
  - d. Plantation Labour Act, 1951 and Rules made thereunder;
  - e. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - f. all other Labour, Employee and Trade Laws to the extent applicable to the Company.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

### Management Responsibility:

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

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

### We report that:

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

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

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

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

**We further report that** during the Audit Period, the Company has not 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.

**We further report that** during the audit period the company has not undertaken any event/actions having a major bearing on the Company's affairs in pursuance to the applicable referred laws, regulations, rules, guidelines etc., except that the shareholders of the Company have approved re-appointment of Mr Santosh Kumar Poddar (DIN: 00055786) as the Managing Director of the Company for a term of three years with effect from April 01, 2021 vide Special Resolution dated September 21, 2020.

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

**Arun Kumar Maitra**

Partner

ACS: 3010

C.P. No.: 14490

UDIN:A003010C000254778

Place: Kolkata

Date: 07.05.2021

## Annexure A1

### List of Documents

1. Corporate Matters
  - 1.1 Minutes books of the following Meetings were provided:
    - 1.1.1 Board Meeting
    - 1.1.2 General Meeting
    - 1.1.3 Audit Committee
    - 1.1.4 Nomination and Remuneration Committee
  - 1.2 Annual Report (2019-20);
  - 1.3 Agenda papers for Board Meeting along with Notice;
  - 1.4 Memorandum and Articles of Association;
  - 1.5 Disclosures under the Act, 2013 and Listing Regulations to the extent applicable;
  - 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 G3

**Form No. MR-3**  
**Secretarial Audit Report**  
**For the Financial Year Ended on March 31, 2021**  
*[Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015]*

To,  
 The Members,  
**Uttar Pradesh Trading Company Limited**  
 Kolkata - 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Uttar Pradesh Trading Company Limited** [CIN: U51109WB1951PLC019450] (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable to it:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
  - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
  - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  - a. Reserve Bank of India Act, 1934;
  - b. Master Direction - Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016;
  - c. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
  - d. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
  - e. Master Direction - Know Your Customer (KYC) Direction, 2016;
  - f. Master Direction - Monitoring of Frauds in NBFs (Reserve Bank) Directions, 2016;
  - g. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
  - h. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - i. all other Labour, Employee and Trade Laws to the extent applicable to the Company.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

## 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 report that:

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

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

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

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

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

- a. the Board of Directors has approved the amalgamation of the Company with its holding company, Ganges Securities Limited and their respective shareholders and creditors;
- b. the shareholders of the Company have approved appointment of Mr Chandra Kumar Vyas as the Manager of the Company for a term of three years with effect from March 23, 2020 vide Special Resolution dated September 22, 2020.

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

**Arun Kumar Maitra**

Partner

ACS: 3010

C.P. No.: 14490

UDIN: A003010C000254791

Place: Kolkata

Date: 07.05.2021

## Annexure A1

### List of Documents

1. Corporate Matters
  - 1.1 Minutes books of the following Meetings were provided:
    - 1.1.1 Board Meeting
    - 1.1.2 General Meeting
    - 1.1.3 Audit Committee
    - 1.1.4 Nomination and Remuneration Committee
    - 1.1.5 Asset Liability Management Committee
    - 1.1.6 Risk Management Committee
  - 1.2 Annual Report (2019-20);
  - 1.3 Notice for Board Meeting;
  - 1.4 Memorandum and Articles of Association;
  - 1.5 Disclosures under the Act, 2013 and Listing Regulations to the extent applicable;
  - 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.



## Independent Auditor's Report

To the Members of  
**Ganges Securities Limited**

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **GANGES SECURITIES LIMITED** ( "the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss ( including other comprehensive income), the cash flow statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies Indian Accounting Standard Rules 2015, as amended ("IND AS") and other accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2021, the Profit and total comprehensive Loss, its cash flows and the statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

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

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

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

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

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

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

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

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

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

### Auditor's Responsibility

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

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

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

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

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

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

### Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanation given to us, no remuneration paid by the company to its directors during the year.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company did not have any pending litigations which will impact on its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

**Chetan Kumar Nathani**  
Partner  
Membership No. – 310904  
UDIN: 21310904AAAAAS4756

Place: Kolkata  
Date: 10th May, 2021.

## Annexure – A

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

*(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Ganges Securities Limited on the Standalone Ind AS financial statements as on 31 March, 2021)*

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

We have audited the internal financial controls over financial reporting of Ganges Securities Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata  
Date: 10th May, 2021.

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

**Chetan Kumar Nathani**  
Partner  
Membership No. – 310904  
UDIN: 21310904AAAAAS4756

## Annexure – B

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

*(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Ganges Securities Limited on the Standalone Ind AS financial statements as on 31 March, 2021)*

#### I. In respect of Fixed Assets: -

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

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

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

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

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

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

#### VII. In respect of Statutory dues:

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

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

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

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

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

XII. The company is not a Nidhi Company. Hence, paragraph 3(xii) of the order is not applicable 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 allotted the 8.5% Non-convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹100 each in lieu of redemption of 1,50,000 12% NCCRPS of ₹100 each together with unpaid dividend thereon to the existing holders of such Preference Shares pursuant to the order of National Company Law Tribunal, Allahabad, Uttar Pradesh passed on 24 September 2020. (Refer Note-12 to the Standalone Ind AS Financial Statement)
- XV. According to information and explanation given by the management, the Company has not entered into any non-cash transactions with the directors or persons connected with him/her as referred to in section 192 of Companies Act, 2013
- XVI. The Company is not required to registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Kolkata  
Date: 10th May, 2021

For, **Agrawal Subodh & Co.**  
Chartered Accountants  
Firm's Registration No – 319260E  
  
Chetan Kumar Nathani  
Partner  
Membership No. 310904  
UDIN: 21310904AAAAAS4756

## Balance Sheet as at 31 March 2021

₹ in lakhs

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and Cash Equivalents	4	527.95	107.05
(b) Receivables			
(I) Trade Receivables	5	-	-
(II) Other Receivables	5	-	9.00
(c) Investments	6	6,090.05	5,210.90
(d) Other Financial Assets	7	1.14	0.22
Total Financial Assets		<b>6,619.14</b>	<b>5,327.17</b>
<b>2. Non-financial Assets</b>			
(a) Current Tax Assets (net)	8	41.99	3.11
(b) Investment Property	9	50.85	53.21
(c) Other Non-financial Assets	10	33.45	29.90
Total Non-financial Assets		<b>126.29</b>	<b>86.22</b>
<b>TOTAL ASSETS</b>		<b>6,745.43</b>	<b>5,413.39</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1. Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises; and	11	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	11	3.10	7.93
(b) Subordinated Liabilities	12	247.12	258.47
(c) Other Financial Liabilities	13	29.25	30.36
Total Financial Liabilities		<b>279.47</b>	<b>296.76</b>
<b>2. Non-financial Liabilities</b>			
(a) Other Non-financial Liabilities	14	0.10	0.49
Total Non-financial Liabilities		<b>0.10</b>	<b>0.49</b>
Total Liabilities		<b>279.57</b>	<b>297.25</b>
<b>EQUITY</b>			
(a) Equity Share Capital	15	1,000.37	1,000.37
(b) Other Equity	16	5,465.49	4,115.77
Total Equity		<b>6,465.86</b>	<b>5,116.14</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,745.43</b>	<b>5,413.39</b>
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

 For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

**For and on behalf of the Board of Directors**
**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer



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

₹ in lakhs

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>I. Revenue from Operations</b>			
(i) Interest Income	17	10.97	3.82
(ii) Dividend Income		482.71	71.08
<b>Total Revenue from Operations</b>		<b>493.68</b>	<b>74.90</b>
<b>II. Other Income</b>			
(i) Rental Income		25.03	27.08
(ii) Other Income	18	18.58	0.14
<b>Total Other Income</b>		<b>43.61</b>	<b>27.22</b>
<b>III. Total Income (I + II)</b>		<b>537.29</b>	<b>102.12</b>
<b>IV. Expenses</b>			
(i) Finance Costs	19	7.33	13.54
(ii) Fees and Commission Expenses	20	9.61	9.07
(iii) Depreciation Expense	21	2.36	2.25
(iv) Other Expenses	22	49.03	37.91
<b>Total Expenses</b>		<b>68.33</b>	<b>62.77</b>
<b>V. Profit before Exceptional Items and Tax (III - IV)</b>		<b>468.96</b>	<b>39.35</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before Tax (V - VI)</b>		<b>468.96</b>	<b>39.35</b>
<b>VIII. Tax expense</b>			
Current tax	23	-	-
Provision for tax related to earlier year no longer required written back	23	(1.61)	-
Deferred tax	23	-	-
<b>Total Tax expenses</b>		<b>(1.61)</b>	-
<b>IX. Profit for the year (VII-VIII)</b>		<b>470.57</b>	<b>39.35</b>
<b>X. Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
(a) Equity investments through other comprehensive income - net change in fair value		879.15	(413.16)
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of income tax</b>		<b>879.15</b>	<b>(413.16)</b>
<b>XI. Total comprehensive income for the year (IX+ X)</b>		<b>1,349.72</b>	<b>(373.81)</b>
<b>XII. Earnings per equity share [Nominal value per equity share ₹ 10 (₹10)]</b>			
(a) Basic (₹)	24	4.70	0.39
(b) Diluted (₹)	24	4.70	0.39
Summary of significant accounting policies	3		

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

As per our report of even date

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

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

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

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

### A. Equity Share Capital

	Notes	As at 31 March 2021		As at 31 March 2020	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	15	1,00,03,687	1,000.37	1,00,03,687	1,000.37
Change in equity share capital during of the year	15	-	-	-	-
<b>Balances at the end of the year</b>	<b>15</b>	<b>1,00,03,687</b>	<b>1,000.37</b>	<b>1,00,03,687</b>	<b>1,000.37</b>

### B. Other Equity

₹ in lakhs

	Reserves and Surplus		Items of OCI	Total
	Capital Reserve	Retained Earnings	Equity instruments through OCI	
Balance as at 1 April 2019	4,111.33	(514.41)	892.66	4,489.58
Total comprehensive income for the year				
- Profit	-	39.35	-	39.35
- Net change in fair value of Equity investments	-	-	(413.16)	(413.16)
Total comprehensive income	-	39.35	(413.16)	(373.81)
Balance as at 31 March 2020	4,111.33	(475.06)	479.50	4,115.77
Total comprehensive income for the year				
- Profit	-	470.57	-	470.57
- Net change in fair value of Equity investments	-	-	879.15	879.15
Total comprehensive income	-	470.57	879.15	1,349.72
<b>Balance as at 31 March 2021</b>	<b>4,111.33</b>	<b>(4.49)</b>	<b>1,358.65</b>	<b>5,465.49</b>

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

#### Capital Reserve

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

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

As per our report of even date

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

For and on behalf of the Board of Directors

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

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

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	468.96	39.35
<b>Adjustments for:</b>		
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(18.47)	-
Depreciation expense	2.36	2.25
Finance Costs	7.33	13.54
Loss on sale / discard of Investment Property (net)	-	3.34
	<b>460.18</b>	<b>58.48</b>
<b>Working capital adjustments:</b>		
Decrease / (Increase) in Receivables	9.00	(9.00)
(Increase) in Other Financial Assets	(0.92)	(0.18)
(Increase) in Other Non-financial Assets	(3.55)	(0.64)
(Decrease) / Increase in Payables	(4.83)	4.07
(Decrease) in Other Financial Liabilities	(1.11)	-
(Decrease) in Other Non-financial Liabilities	(0.39)	(0.96)
Cash Generation from Operations	<b>458.38</b>	<b>51.77</b>
Income tax paid (net of refund received)	(37.27)	(1.41)
<b>Net Cash generated from Operating Activities</b>	<b>421.11</b>	<b>50.36</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds on maturity of Bank deposits	-	44.50
<b>Net Cash generated from Investing Activities</b>	<b>-</b>	<b>44.50</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid on Income Tax	(0.21)	-
<b>Net Cash used in Financing Activities</b>	<b>(0.21)</b>	<b>-</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>420.90</b>	<b>94.86</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>107.05</b>	<b>12.19</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>527.95</b>	<b>107.05</b>

### Change in Liability arising from financing activities

₹ in lakhs

	As on 1 April 2020	Cash Flow	Change in Fair Value	As on 31 March 2021
Subordinated Liabilities [Note 12]	258.47	-	(11.35)	247.12
	As on 1 April 2019	Cash Flow	Change in Fair Value	As on 31 March 2020
Subordinated Liabilities [Note 12]	244.93	-	13.54	258.47

As per our report of even date

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

For and on behalf of the Board of Directors

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

## Notes to financial statements for the year ended 31 March 2021

### 1. Reporting entity

Ganges Securities Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Post Office Hargaon, District Sitapur, Uttar Pradesh 261121. Its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). During the year, its equity shares were delisted on Calcutta Stock Exchange (CSE) w.e.f. 26 February 2021.

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

### 2. Basis of preparation

#### 2.1 Statement of compliance

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

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 10 May 2021.

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

#### 2.2 Functional and presentation currency

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

#### 2.3 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) is presented in Note 26.

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

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

#### 2.4 Basis of measurement

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

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

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

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

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

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

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

**Note 6** - Determining the fair values of investments.

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

**Note 9** - Useful life and residual value of investment property;

**Note 30** - Recognition of deferred tax assets: availability of future taxable profit against which deductions allowed on payment / other basis can be used;

**Note 31** - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

### 2.6 Measurement of fair value

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

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

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

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

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

**Level 3:** inputs are unobservable inputs for the asset or liability.

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

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

## 3 Significant accounting policies

### 3.1 Financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

The details of these conditions are outlined below.

#### **Business model assessment**

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

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

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

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

#### **The SPPI test**

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial assets: Assessment whether contractual cash flows are SPPI.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Derecognition**

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

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

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

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

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

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

### **Offsetting**

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

### **Impairment**

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

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

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

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

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

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

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



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

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

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

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

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

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

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

**(c) Write-off**

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

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

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

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

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

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

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

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

### 3.2 Cash and cash equivalents

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

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

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

### 3.3 Investment properties

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

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

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

The Company depreciates building components of investment property over 10 to 60 years from the date of original purchase.

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

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

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

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

### 3.4 Property, plant and equipment

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

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

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

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

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

### 3.5 Capital work-in-progress (CWIP)

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

### 3.6 Lease

#### *As a lessee*

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

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

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

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

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

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

### (b) *Lease Liabilities*

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

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

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

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

### *As a lessor*

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

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

### **3.7 Provisions (other than for employee benefits)**

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

### **3.8 Contingent liabilities and contingent assets**

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

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

### 3.9 Recognition of interest income

#### *The effective interest rate method*

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

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

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

#### *Interest income*

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

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

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

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

### 3.10 Recognition of income and expenses

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

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

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

#### *Dividend income*

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

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

### **Trading income**

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

### **Expenses**

All expenses are accounted for on accrual basis.

### **3.11 Income tax**

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

#### **Current tax**

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

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

#### **Deferred tax**

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

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

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

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

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

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

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

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

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

- When receivables and payables are stated with the amount of tax included.

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

### **3.13 Earnings per share**

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

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

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

### 3.14 Dividend on ordinary shares

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

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

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

### 3.15 Determination of fair values

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

#### i) Financial assets

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

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

#### ii) Trade and other receivables

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

#### iii) Financial liabilities

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

### 3.16 Recent accounting pronouncement

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

#### Balance Sheet:

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

#### Statement of profit and loss:

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

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

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

### 4. Cash and cash equivalents

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.06	0.01
Balances with banks		
- Current accounts	7.89	45.04
Bank deposits having maturity of three months or less of original maturities	520.00	62.00
	<b>527.95</b>	<b>107.05</b>

### 5. Receivables

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
<i>Unsecured, considered good</i>		
Trade receivables	-	-
Other receivables	-	9.00
	-	<b>9.00</b>

- (a) No debt is due by directors or other officers of the Company or any of them either severally or jointly with any other person or firms including limited liability partnership (LLPs) or private companies respectively in which any director is a partner or a director or a member.
- (b) Information about the Company's exposure to credit risks and loss allowances related to receivables are disclosed in Note 31 (C).

### 6. Investments

₹ in lakhs

	No. of Shares	Face Value of Share (₹)	As at 31 March 2021	As at 31 March 2020
<b>Equity shares (fully paid) carried at FVOCI - (Quoted)</b>				
Chambal Fertilisers & Chemicals Ltd.	7,04,160	10.00	1,612.88	761.20
New India Retailing & Investments Ltd.	2,02,500	10.00	60.75	60.75
			<b>1,673.63</b>	<b>821.95</b>
<b>Equity shares (fully paid) carried at FVOCI - (Unquoted)</b>				
Birla Building Ltd.	8,400	10.00	62.33	34.86
Bihar State Financial Corporation Ltd.	60	100.00	-	-
			<b>62.33</b>	<b>34.86</b>
<b>Equity shares of Subsidiaries carried at amortised cost - (Unquoted)</b>				
Cinnatollah Tea Ltd.	2,61,75,396	10.00	2,617.54	2,617.54
Uttar Pradesh Trading Company Ltd.	16,36,24,995	1.00	1,736.55	1,736.55
			<b>4,354.09</b>	<b>4,354.09</b>
<b>Preference shares carried at FVOCI - (Unquoted)</b>				
Raj Kamal Prakashan Pvt. Ltd.	50	100.00	-	-
			-	-
			<b>6,090.05</b>	<b>5,210.90</b>
<b>Investments outside India</b>			-	-
<b>Investments in India</b>			6,090.05	5,210.90
			<b>6,090.05</b>	<b>5,210.90</b>

- (a) The Company received dividends other than from subsidiaries of ₹ 24.58 lakhs (31 March 2020: ₹ 44.90 lakhs) from its investments in equity shares, carried at FVOCI, recorded as dividend income.
- (b) The Company has designated its equity investments at FVOCI on the basis that these are not held for trading and held for strategic purposes.
- (c) No strategic investment was disposed off during 2020-21 and there were no transfer of any cumulative gain or loss within equity relating to these investments.

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

### 7. Other Financial Assets

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
Interest accrued on bank deposits	1.14	0.22
	<b>1.14</b>	<b>0.22</b>

### 8. Current Tax Assets (net)

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
Tax deducted at sources	41.99	7.96
Less: Provision for taxation	-	4.85
	<b>41.99</b>	<b>3.11</b>

### 9. Investment Property

₹ in lakhs

	Freehold Land	Buildings	Total
<b>Reconciliation of carrying amount</b>			
<b>Cost or deemed cost (gross carrying amount)</b>			
Balance at 1 April 2019	2.47	59.09	61.56
Additions during the year	-	-	-
Disposals / discard during the year	-	4.04	4.04
Balance at 31 March 2020	2.47	55.05	57.52
Additions during the year	-	-	-
Disposals / discard during the year	-	-	-
<b>Balance at 31 March 2021</b>	<b>2.47</b>	<b>55.05</b>	<b>57.52</b>
<b>Accumulated depreciation</b>			
Balance at 1 April 2019	-	2.76	2.76
Depreciation for the year	-	2.25	2.25
Disposals / discard during the year	-	0.70	0.70
Balance at 31 March 2020	-	4.31	4.31
Depreciation for the year	-	2.36	2.36
Disposals / discard during the year	-	-	-
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>6.67</b>	<b>6.67</b>
<b>Carrying amount (net)</b>			
At 31 March 2020	2.47	50.74	53.21
<b>At 31 March 2021</b>	<b>2.47</b>	<b>48.38</b>	<b>50.85</b>
Fair value of the above-mentioned investment property is as under:			
At 31 March 2020	267.19	50.74	317.93
<b>At 31 March 2021</b>	<b>275.21</b>	<b>48.38</b>	<b>323.59</b>

The amounts recognised in profit or loss for:

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Rental income from investment property	25.03	27.08
(ii) Expenses (including tax, repairs and maintenance etc.) other than depreciation in relation to investment property that generated rental income during the year; and	2.81	2.16
(iii) Expenses (including tax, repairs and maintenance etc.) other than depreciation in relation to investment property that did not generate rental income during the year	5.92	7.34



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

### 10. Other Non-financial Assets

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
<i>(Unsecured, considered good)</i>		
<b>Capital Advances</b>	29.25	29.25
<b>Advances other than Capital Advances</b>		
Other advances		
- Balance with government authorities	4.20	0.65
	<b>33.45</b>	<b>29.90</b>

### 11. Payables

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises; and	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.10	7.93
	<b>3.10</b>	<b>7.93</b>
The following details relating to Micro enterprises and small enterprises are as under:		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

### 12. Subordinated Liabilities

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
2,40,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each at amortised cost	247.12	-
1,50,000 12% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each at amortised cost	-	258.47
	<b>247.12</b>	<b>258.47</b>

#### Rights, preferences and restrictions attached to 8.5% Non-convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 100 each:

The NCCRPS of ₹ 100 each carries dividend @ 8.5% per annum. NCCRPS shall be redeemable at par on 11 October 2030 being ten years from the date of the original allotment i.e. 12 October 2020 with a sole right vested to the Board of Directors of the Company to redeem it earlier. The dividend is payable at the time of redemption of the NCCRPS. However, the Board reserves the right to pay dividend earlier subject to availability of the profit.

The Company has allotted the above NCCRPS in lieu of redemption of 1,50,000 12% NCCRPS of ₹ 100 each together with unpaid dividend thereon to the existing holders of such Preference Shares, pursuant to the order of National Company Law Tribunal, Allahabad, Uttar Pradesh passed on 24 September 2020.

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

### 13. Other Financial Liabilities

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
Liabilities for capital goods	29.25	30.36
	<b>29.25</b>	<b>30.36</b>

### 14. Other Non-financial Liabilities

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
Statutory dues	0.10	0.49
	<b>0.10</b>	<b>0.49</b>

### 15. Share Capital

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
<b>Authorised:</b>		
1,35,00,000 equity shares of ₹ 10 each	1,350.00	1,350.00
4,50,000 preference shares of ₹ 100 each	450.00	450.00
	<b>1,800.00</b>	<b>1,800.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
1,00,03,687 equity shares of ₹ 10 each	1,000.37	1,000.37
	<b>1,000.37</b>	<b>1,000.37</b>

2,40,000 8.5% NCCRPS of ₹ 100 each (31 March 2020: 1,50,000 12% NCCRPS of ₹ 100 each (redeemed)) issued are classified as Subordinated Liabilities [Note 12].

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

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
<b>Equity shares</b>				
At the beginning and end of the year	1,00,03,687	1,000.37	1,00,03,687	1,000.37

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

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

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

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

### 15. Share Capital (Contd.)

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

₹ in lakhs

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
<b>Equity shares of ₹ 10 each fully paid up held by</b>				
SIL Investments Limited	13,38,430	13.38	13,38,430	13.38
New India Retailing & Investment Limited	8,38,367	8.38	8,38,367	8.38
Navjeevan Medical Institute	6,21,466	6.21	6,21,466	6.21
Yashovardhan Investment & Trading Co. Limited	5,89,759	5.90	5,89,759	5.90
Hargaon Investment & Trading Co. Limited	5,69,252	5.69	5,69,252	5.69
<b>8.5% NCCRPS of ₹ 100 each fully paid up held by</b>				
Yashovardhan Investment & Trading Co. Limited	1,02,000	42.50	-	-
Shital Commercial Limited	40,800	17.00	-	-
Hargaon Investment & Trading Co. Limited	34,800	14.50	-	-
Deepshikha Trading Co. Pvt. Limited	26,400	11.00	-	-
Uttam Commercial Limited	20,400	8.50	-	-
SIL Investments Limited	15,600	6.50	-	-
<b>12% NCCRPS of ₹ 100 each fully paid up held by</b>				
Yashovardhan Investment & Trading Co. Limited	-	-	63,750	42.50
Shital Commercial Limited	-	-	25,500	17.00
Hargaon Investment & Trading Co. Limited	-	-	21,750	14.50
Deepshikha Trading Co. Pvt. Limited	-	-	16,500	11.00
Uttam Commercial Limited	-	-	12,750	8.50
SIL Investments Limited	-	-	9,750	6.50

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

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
<i>Issued pursuant to the scheme of arrangement:</i>					
Equity shares of ₹ 10 each allotted as fully paid-up	-	-	-	-	1,00,03,687
Preference shares of ₹ 100 each allotted as fully paid-up (redeemed)	-	-	-	-	1,50,000
<i>Issued pursuant to the order of NCLT: (refer Note 12)</i>					
Preference shares of ₹ 100 each allotted as fully paid-up	2,40,000	-	-	-	-

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

### 16. Other Equity

₹ in lakhs

	As at 31 March 2021	As at 31 March 2020
<b>Capital Reserve</b>		
Balance at the beginning and at the end of the year	4,111.33	4,111.33
<b>Retained Earnings</b>		
Balance at the beginning of the year	(475.06)	(514.41)
Profit for the year	470.57	39.35
Balance at the end of the year	<b>(4.49)</b>	<b>(475.06)</b>
<b>Equity Instruments through OCI</b>		
Balance at the beginning of the year	479.50	892.66
Net change in fair value during the year	879.15	(413.16)
Balance at the end of the year	<b>1,358.65</b>	<b>479.50</b>
	<b>5,465.49</b>	<b>4,115.77</b>

### 17. Interest Income

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Other Interest Income</b>		
On deposits with bank, measured at amortised cost	10.97	3.82
	<b>10.97</b>	<b>3.82</b>

### 18. Other Income

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on Refund from Income Tax Department	0.11	0.12
Unspent liabilities, Provisions no longer required and Unclaimed balances written back *	18.47	-
Miscellaneous receipts	-	0.02
	<b>18.58</b>	<b>0.14</b>

\* During the current year, ₹ **18.47 lakhs** being excess provision of liability related to subordinated liabilities written back.

### 19. Finance Costs

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on Subordinated Liabilities, measured at amortised cost	7.12	13.54
Interest on Income Tax	0.21	-
	<b>7.33</b>	<b>13.54</b>

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

### 20. Fees and Commission Expenses

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Listing and Other Regulatory Fees	9.48	6.70
Fees related to ROC matters	0.13	2.37
	<b>9.61</b>	<b>9.07</b>

### 21. Depreciation Expenses

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Investment Property	2.36	2.25
	<b>2.36</b>	<b>2.25</b>

### 22. Other Expenses

₹ in lakhs

	Year ended 31 March 2021		Year ended 31 March 2020	
Rate, Tax and Energy Costs		3.12		2.20
Repairs and Maintenance		5.66		7.35
Communication Costs		0.05		0.82
Printing and Stationery		2.09		2.64
Advertisement and Publicity		1.16		0.85
Director's Sitting Fees		1.75		1.45
Auditor's Fee and Expenses				
As Auditors				
- Statutory audit	1.25		1.00	
- Limited review of quarterly results	0.75		0.60	
In other capacity				
- For certificates and other services	3.24	5.24	2.25	3.85
Legal and Professional Charges		15.04		14.58
Loss on Sales / Discard of Fixed Assets (net)		-		3.34
Other Expenses		14.92		0.83
		<b>49.03</b>		<b>37.91</b>

### 23. Tax expense

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Current tax</b>	-	-
Provision for tax related to earlier year no longer required written back	(1.61)	-
<b>Deferred tax</b>		
Attributable to origination and reversal of temporary differences	-	-
	<b>(1.61)</b>	-

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

### 23. Tax expense (Contd.)

#### Reconciliation of effective tax

	Year ended 31 March 2021		Year ended 31 March 2020	
	Rate	₹ in lakhs	Rate	₹ in lakhs
<b>Profit before tax</b>		<b>468.96</b>		<b>39.35</b>
Tax using the Company's domestic tax rate	25.168%	118.03	22.88%	9.00
Tax effect of:				
- Deferred tax expense adjusted with deferred tax assets not recognised		(84.11)		(71.26)
- Tax benefits lapsed due to exercise the option available under Section 115BAA of Income Tax Act, 1961		-		24.70
- Lower applicable tax rate due to opt the option available under Section 115BAA of Income Tax Act, 1961		-		40.67
- Time barred carried forward business losses		-		2.07
- Amount related to earlier years		(29.61)		-
- Interest expense on Preference shares classified as liability not deductible for tax purposes		1.79		3.10
- Other permanent differences		(7.71)		(8.28)
<b>Effective tax</b>		<b>(1.61)</b>		<b>-</b>

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

### 24. Earnings per equity share (EPS)

#### Basic and Diluted earnings per share

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

	₹ in lakhs	
	Year ended 31 March 2021	Year ended 31 March 2020
(i) Profit attributable to equity shareholders (₹ in lakhs)	470.57	39.35
(ii) Weighted average number of equity shares for the year		
At the beginning and at the end of the year	1,00,03,687	1,00,03,687
(iii) <b>Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]</b>		
Basic and Diluted (₹)	4.70	0.39

There is no dilutive potential equity share.

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

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

### 26. Maturity analysis of assets and liabilities

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

₹ in lakhs

Particulars	As at 31 March 2021		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	527.95	-	527.95
Investments	-	6,090.05	6,090.05
Other Financial Assets	1.14	-	1.14
<i>Non-financial Assets:</i>			
Current Tax Assets (net)	41.99	-	41.99
Investment Property	-	50.85	50.85
Other Non-financial Assets	4.20	29.25	33.45
<b>Total Assets</b>	<b>575.28</b>	<b>6,170.15</b>	<b>6,745.43</b>
<i>Financial Liabilities:</i>			
Payables	3.10	-	3.10
Subordinated Liabilities	-	247.12	247.12
Other Financial Liabilities	-	29.25	29.25
<i>Non-financial Liabilities:</i>			
Other Non-financial Liabilities	0.10	-	0.10
<b>Total Liabilities</b>	<b>3.20</b>	<b>276.37</b>	<b>279.57</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>572.08</b>	<b>5,893.78</b>	<b>6,465.86</b>

₹ in lakhs

Particulars	As at 31 March 2020		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	107.05	-	107.05
Receivables	9.00	-	9.00
Investments	-	5,210.90	5,210.90
Other Financial Assets	0.22	-	0.22
<i>Non-financial Assets:</i>			
Current Tax Assets (net)	3.11	-	3.11
Investment Property	-	53.21	53.21
Other Non-financial Assets	0.65	29.25	29.90
<b>Total Assets</b>	<b>120.03</b>	<b>5,293.36</b>	<b>5,413.39</b>
<i>Financial Liabilities:</i>			
Payables	7.93	-	7.93
Subordinated Liabilities	258.47	-	258.47
Other Financial Liabilities	30.36	-	30.36
<i>Non-financial Liabilities:</i>			
Other Non-financial Liabilities	0.49	-	0.49
<b>Total Liabilities</b>	<b>297.25</b>	<b>-</b>	<b>297.25</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>(177.22)</b>	<b>5,293.36</b>	<b>5,116.14</b>

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

- 27.** The Company is in the process of obtaining necessary approvals from various concerned authorities in respect of the proposed merger of Uttar Pradesh Trading Company Limited (a wholly owned subsidiary) with itself. Pending such approvals, no effect thereof has been considered in these financial statements. During the current year, the Company has made an application to Reserve Bank of India for registration as Non Banking Financial Company.
- 28.** The possible impacts of COVID-19, if any, have been considered in the above financial statements, including internal and external factors known upto the date of approval of these financial statements, to assess the carrying amount of assets and liabilities of the Company. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes in future economic conditions.

### 29. Related Party Disclosures

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

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

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

Wholly owned subsidiaries	Cinnatollah Tea Limited Uttar Pradesh Trading Company Limited	
Key management personnel	Mrs. Nandini Nopany	– Chairperson / Non-Executive Director
	Mr. Chandra Shekhar Nopany	– Co-Chairperson / Non-Executive Director (upto 13 March 2020)
	Mrs. Urvi Mittal	– Non-Executive Director (w.e.f. 23 March 2020)
	Mr. Arun Kumar Newar	– Independent / Non-Executive Director
	Mr. Dhiraj Ramakant Banka	– Independent / Non-Executive Director
	Mr. Chhedi Lal Agarwal	– Independent / Non-Executive Director (w.e.f. 13 May 2019)
	Mr. Santosh Kumar Poddar	– Managing Director
	Mr. Vikash Goyal	– Chief Financial Officer
	Ms. Vijaya Agarwala	– Company Secretary

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

##### a Investments in Equity Shares / Dividend Income thereon

₹ in lakhs

	Year ended 31 March	Investments in equity shares	Dividend Income	Amount owed by related parties
Wholly owned subsidiaries				
Cinnatollah Tea Limited	2021	2,617.54	130.88	-
	2020	2,617.54	26.18	-
Uttar Pradesh Trading Company Limited	2021	1,736.55	327.25	-
	2020	1,736.55	-	-

##### b. Director's sitting fees

₹ in lakhs

	Year ended 31 March	Director's sitting fees	Amount owed by related parties
Key management personnel			
Mrs. Nandini Nopany	2021	0.25	-
	2020	0.15	-
Mr. Chandra Shekhar Nopany	2021	-	-
	2020	0.25	-
Mrs. Urvi Mittal	2021	0.25	-
	2020	-	-
Mr. Arun Kumar Newar	2021	0.50	-
	2020	0.50	-
Mr. Dhiraj Ramakant Banka	2021	0.25	-
	2020	0.17	-
Mr. Chhedi Lal Agarwal	2021	0.50	-
	2020	0.38	-



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

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

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

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

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

- (i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- (ii) No amounts is outstanding or receivable. No guarantees have been given or received.
- (iii) For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- (iv) The sitting fees of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

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

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

₹ in lakhs

	As at 31 March 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2021
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	282.48	(95.72)	-	186.76
Investments - Quoted Equity Shares	39.80	-	(39.80)	-
Investments - Unquoted Preference Shares	0.03	-	-	0.03
	322.31	(95.72)	(39.80)	186.79
Less : Deferred tax assets not recognised	303.99	(84.11)	(100.38)	119.50
	<b>18.32</b>	<b>(11.61)</b>	<b>60.58</b>	<b>67.29</b>
<b>Deferred tax liabilities</b>				
Investments - Quoted Equity Shares	-	-	53.65	53.65
Investments - Unquoted Equity Shares	6.71	-	6.93	13.64
Investment Property	11.61	(11.61)	-	-
	<b>18.32</b>	<b>(11.61)</b>	<b>60.58</b>	<b>67.29</b>
<b>Net deferred tax assets</b>	-	-	-	-
	As at 1 April 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2020
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	353.56	(71.08)	-	282.48
MAT credit entitlement	3.22	(3.22)	-	-
Investments - Quoted Equity Shares	-	-	39.80	39.80
Investments - Unquoted Preference Shares	0.03	-	-	0.03
	356.81	(74.30)	39.80	322.31
Less : Deferred tax assets not recognised	332.26	(71.26)	42.99	303.99
	<b>24.55</b>	<b>(3.04)</b>	<b>(3.19)</b>	<b>18.32</b>
<b>Deferred tax liabilities</b>				
Investments - Quoted Equity Shares	3.17	-	(3.17)	-
Investments - Unquoted Equity Shares	6.73	-	(0.02)	6.71
Investment Property	14.65	(3.04)	-	11.61
	<b>24.55</b>	<b>(3.04)</b>	<b>(3.19)</b>	<b>18.32</b>
<b>Net deferred tax assets</b>	-	-	-	-

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

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

#### A. Accounting classification and fair values

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

₹ in lakhs

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
<b>As at 31 March 2021</b>					
<b>Financial assets</b>					
Investment in equity shares (Quoted)	-	1,673.63	-	1,673.63	1,673.63
Investment in equity shares (Unquoted)	-	62.33	-	62.33	62.33
Cash and cash equivalents	-	-	527.95	527.95	527.95
Investment in Subsidiaries	-	-	4,354.09	4,354.09	4,354.09
Other financial assets	-	-	1.14	1.14	1.14
	-	<b>1,735.96</b>	<b>4,883.18</b>	<b>6,619.14</b>	<b>6,619.14</b>
<b>Financial liabilities</b>					
Payables	-	-	3.10	3.10	3.10
Subordinated liabilities	-	-	247.12	247.12	247.12
Other financial liabilities	-	-	29.25	29.25	29.25
	-	-	<b>279.47</b>	<b>279.47</b>	<b>279.47</b>
<b>As at 31 March 2020</b>					
<b>Financial assets</b>					
Investment in equity shares (Quoted)	-	821.95	-	821.95	821.95
Investment in equity shares (Unquoted)	-	34.86	-	34.86	34.86
Cash and cash equivalents	-	-	107.05	107.05	107.05
Receivables	-	-	9.00	9.00	9.00
Investment in Subsidiaries	-	-	4,354.09	4,354.09	4,354.09
Other financial assets	-	-	0.22	0.22	0.22
	-	<b>856.81</b>	<b>4,470.36</b>	<b>5,327.17</b>	<b>5,327.17</b>
<b>Financial liabilities</b>					
Payables	-	-	7.93	7.93	7.93
Subordinated liabilities	-	-	258.47	258.47	258.47
Other financial liabilities	-	-	30.36	30.36	30.36
	-	-	<b>296.76</b>	<b>296.76</b>	<b>296.76</b>

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

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

#### B. Measurement of fair values

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

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

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

₹ in lakhs

Particulars	Note	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2021</b>					
Investment in equity shares (Quoted)	6	1,673.63	-	-	1,673.63
Investment in equity shares (Unquoted)	6	-	-	62.33	62.33
<b>As at 31 March 2020</b>					
Investment in equity shares (Quoted)	6	821.95	-	-	821.95
Investment in equity shares (Unquoted)	6	-	-	34.86	34.86

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

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

#### C Financial risk management

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

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

#### Risk management framework

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

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

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

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

#### (i) Credit risk

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

#### Receivables

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

#### Exposure to credit risks

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

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

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Corporate bodies in relation to rental income	-	9.0

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

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

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

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

#### Ageing of receivables are as under:

(₹ in lakhs)

Particulars	Not yet due	Less than 60 days	61- 180 days	181-365 days	More than 1 year	Total
As at 31 March 2021	-	-	-	-	-	-
As at 31 March 2020	9.00	-	-	-	-	9.00

During the period, the Company has made no write-offs of receivables. The Company's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

#### (ii) Liquidity risk

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

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

#### Exposure to liquidity risks

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
<b>As at 31 March 2021</b>						
Payables	3.10	3.10	3.10	-	-	-
Subordinated Liabilities*	247.12	444.00	-	-	-	444.00
Other financial liabilities	29.25	29.25	-	29.25	-	-
	<b>279.47</b>	<b>476.35</b>	<b>3.10</b>	<b>29.25</b>	-	<b>444.00</b>
<b>As at 31 March 2020</b>						
Payables	7.93	7.93	7.93	-	-	-
Subordinated Liabilities	258.47	258.47	258.47	-	-	-
Other financial liabilities	30.36	30.36	30.36	-	-	-
	<b>296.76</b>	<b>296.76</b>	<b>296.76</b>	-	-	-

\* including estimated dividend as finance cost.

#### (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and payables.

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

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

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

##### Foreign currency risks

All transactions of the Company are in Indian currency, consequently Company is not exposed to foreign currency risk. The Company has no outstanding foreign currency exposure or related derivative contract.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

##### Exposure to interest rate risks

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Fixed rate instruments</b>		
Financial assets	520.00	62.00
Financial liabilities	247.12	258.47
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

##### Cash flow sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

##### Equity risk

The Company's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

##### Sensitivity analysis

Investment in equity instruments (Quoted) of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Company's equity and profit for the period. The analysis is based on the assumption that the BSE / NSE had increased / decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

(₹ in lakhs)

Particulars	Profit or loss		Equity, net of tax	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
BSE / NSE - increase by 10%	167.36	82.19	148.21	72.79
BSE / NSE - decrease by 10%	(167.36)	(82.19)	(148.21)	(72.79)

##### Regulatory risk

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

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

### 32. Capital management

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

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

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

As per our report of even date attached.

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

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

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

# Independent Auditor's Report on the Consolidated Ind AS Financial Statements

To the Members of

## GANGES SECURITIES LIMITED

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s Ganges Securities Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), comprising of the consolidated Balance Sheet as at 31 March 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements')

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies Indian Accounting Standard Rules 2015, as amended ("IND AS") and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated Profit, total comprehensive Income, their consolidate cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Other Matter Paragraph

The accompanying statement includes the audited financial statements and other financial information in respect of Two subsidiaries, whose financial statements reflect total assets of Rs 32,227.75 Lakhs as at 31st March 2021, total revenue of Rs 196.07 Lakhs and 3,452.64 Lakhs, total net profit/(loss) after tax of Rs. (321.45) Lakhs and Rs. 966.97 Lakhs, total comprehensive income/(loss) of Rs. (3,142.70) Lakhs and Rs. 12,045.80 Lakhs, for the quarter and year ended on that date respectively, and net cash inflows/(outflows) of Rs. 168.36 Lakhs for the year ended March 2021, as considered in the statement which have been audited by their respective independent auditors. The said reports have been furnished to us by the management and our opinion on the statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is solely based on the reports of such auditors and the procedures performed by us as stated in paragraph above.

### Key Audit Matters

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

This section of auditor's report is intended to describe the matters communicated with those charged with governance that the auditor has determined, in the auditor's professional judgement, were of most significance in the audit of the consolidated Ind AS financial statements and We have determined the matters described below to be the key audit matters to be communicated in our report.

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

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

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

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

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

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

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

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

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

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

### **Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements**

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

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

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



which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

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

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

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

### Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to presentation of the aforesaid Consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and report of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid to its directors during the year is within the limits of the provision of Section 197 of the Act.

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

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

**Chetan Kumar Nathani**  
Partner  
Membership No.: 310904  
UDIN: 21310904AAAAAR1747

Place: Kolkata  
Date: 10th May, 2021.

## Annexure –A

### to the Independent Auditors' Report on the Consolidated Ind AS Financial Statements of Ganges Securities Limited as on 31st March 2021

*(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section our report of even date addressed to the members of Ganges Securities Limited on the Consolidated Ind AS financial statements as on 31 March, 2021)*

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

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

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

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

#### Auditor's Responsibility

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

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

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

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

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the holding company and its subsidiary companies which are companies incorporated in India, have, in all material respects, maintained in generally adequate internal financial controls over financial reporting as of March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under section 143(3) (i) of the Act on the adequacy and operating effectiveness of Internal Financial Controls over Financial Reporting in so far it relates to its 2 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, 2021.

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

**Chetan Kumar Nathani**  
Partner  
Membership No.: 310904  
UDIN: 21310904AAAAAR1747

## Consolidated Balance Sheet as at 31 March 2021

(₹ in Lakhs)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and Cash Equivalents	4	1,333.42	1,080.88
(b) Bank Balances other than (a) above	5	2,763.43	2,011.49
(c) Receivables			
(I) Trade Receivables	6	58.92	134.20
(II) Other Receivables	6	-	23.27
(d) Loans	7	2,700.00	2,700.00
(e) Investments	8	25,648.84	13,546.73
(f) Other Financial Assets	9	366.77	500.23
<b>2. Non-financial Assets</b>			
(a) Inventories	10	212.66	251.17
(b) Current Tax Assets (net)	11	138.03	83.67
(c) Deferred Tax Assets (net)	12	21.04	70.61
(d) Investment Property	13	50.85	53.21
(e) Biological Assets other than bearer plants	14	1.32	-
(f) Property, Plant and Equipment	15	1,059.09	1,027.64
(g) Capital Work-in-Progress	16	67.87	67.11
(h) Goodwill	17	90.11	90.11
(i) Other Non-financial Assets	18	106.74	77.12
<b>Total Non-financial Assets</b>		<b>1,747.71</b>	<b>1,720.64</b>
<b>TOTAL ASSETS</b>		<b>34,619.09</b>	<b>21,717.44</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1. Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises; and	19	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	19	61.47	89.68
(b) Borrowings (Other than Debt Securities)	20	-	-
(c) Subordinated Liabilities	21	247.12	258.47
(d) Other Financial Liabilities	22	265.96	256.37
<b>Total Financial Liabilities</b>		<b>574.55</b>	<b>604.52</b>
<b>2. Non-financial Liabilities</b>			
(a) Provisions	23	242.30	248.41
(b) Other Non-financial Liabilities	24	24.23	23.90
<b>Total Non-financial Liabilities</b>		<b>266.53</b>	<b>272.31</b>
<b>Total Liabilities</b>		<b>841.08</b>	<b>876.83</b>
<b>EQUITY</b>			
(a) Equity Share Capital	25	1,000.37	1,000.37
(b) Other Equity	26	32,777.64	19,840.24
<b>Total Equity</b>		<b>33,778.01</b>	<b>20,840.61</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>34,619.09</b>	<b>21,717.44</b>
<b>Summary of significant accounting policies</b>	<b>3</b>		

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

As per our report of even date

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

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

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

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

(₹ in Lakhs)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>I. Revenue from Operations</b>			
(i) Interest Income	27	416.59	416.93
(ii) Dividend Income		265.27	372.36
(iii) Sale of Products	28	2,799.19	2,397.11
<b>Total Revenue from Operations</b>		<b>3,481.05</b>	<b>3,186.40</b>
<b>II. Other Income</b>			
(i) Rental Income		25.03	27.08
(ii) Other Income	29	25.71	0.15
<b>Total Other Income</b>		<b>50.74</b>	<b>27.23</b>
<b>III. Total Income (I + II)</b>		<b>3,531.79</b>	<b>3,213.63</b>
<b>IV. Expenses</b>			
(i) Finance Costs	30	8.34	15.74
(ii) Fees and Commission Expenses	31	39.87	31.87
(iii) Changes in Inventories of finished goods	32	(5.60)	16.13
(iv) Employee Benefits Expenses	33	1,511.52	1,575.28
(v) Depreciation Expense	34	69.54	65.49
(vi) Other Expenses	35	737.70	638.12
<b>Total Expenses</b>		<b>2,361.37</b>	<b>2,342.63</b>
<b>V. Profit / (Loss) before Exceptional Items and Tax (III - IV)</b>		<b>1,170.42</b>	<b>871.00</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit / (Loss) before Tax (V - VI)</b>		<b>1,170.42</b>	<b>871.00</b>
<b>VIII. Tax expense</b>			
Current tax	36	147.08	132.51
Provision for tax related to earlier years	36	-	0.60
Provision for tax no longer required written back	36	(1.62)	-
Deferred tax charge / (credit)	36	45.54	23.80
<b>Total Tax expenses</b>		<b>191.00</b>	<b>156.91</b>
<b>IX. Profit / (Loss) for the period (VII-VIII)</b>		<b>979.42</b>	<b>714.09</b>
<b>X. Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined benefit liability / (asset)		16.02	(41.68)
(b) "Equity investments through other comprehensive income - net change in fair value"		11,945.99	(11,227.97)
(c) Income tax relating to items that will not be reclassified to profit or loss		(4.03)	10.49
<b>Other comprehensive income for the period, net of income tax</b>		<b>11,957.98</b>	<b>(11,259.16)</b>
<b>XI. Total comprehensive income for the period (XI + X)</b>		<b>12,937.40</b>	<b>(10,545.07)</b>
<b>XII. "Earnings per equity share"</b>			
<b>[Nominal value per equity share ₹ 10 (₹ 10)]"</b>			
(a) Basic (₹)	37	9.79	7.14
(b) Diluted (₹)	37	9.79	7.14
<b>Summary of significant accounting policies</b>	3		

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

As per our report of even date

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

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

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

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

(₹ in Lakhs)

### A. Equity Share Capital

	Notes	As at 31 March 2021		As at 31 March 2020	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	19	10,003,687	1,000.37	10,003,687	1,000.37
Change in equity share capital during of the year	19	-	-	-	-
<b>Balances at the end of the year</b>	<b>19</b>	<b>10,003,687</b>	<b>1,000.37</b>	<b>10,003,687</b>	<b>1,000.37</b>

### B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus					Items of OCI	Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Reserve Fund	Retained Earnings	Equity instruments through OCI	
Balance as at 1 April 2019	4,118.53	30.00	279.76	911.79	3,848.51	21,202.10	30,390.69
Total comprehensive income for the year							
- Profit	-	-	-	-	714.09	-	714.09
- Remeasurement of defined benefit liability / (asset) (net of tax)"	-	-	-	-	(31.19)	-	(31.19)
- Net change in fair value of Equity investments	-	-	-	-	-	(11,227.97)	(11,227.97)
Total comprehensive income	-	-	-	-	682.90	(11,227.97)	(10,545.07)
Transfer to Reserve Fund from Retained Earnings	-	-	-	99.15	(99.15)	-	-
Dividend distribution tax paid by a subsidiary	-	-	-	-	(5.38)	-	(5.38)
Balance as at 31 March 2020	4,118.53	30.00	279.76	1,010.94	4,426.88	9,974.13	19,840.24
<b>Total comprehensive income for the year</b>							
<b>- Profit</b>	-	-	-	-	<b>979.42</b>	-	<b>979.42</b>
<b>- Remeasurement of defined benefit liability / (asset) (net of tax)"</b>	-	-	-	-	<b>11.99</b>	-	<b>11.99</b>
<b>- Net change in fair value of Equity investments"</b>	-	-	-	-	-	<b>11,945.99</b>	<b>11,945.99</b>
<b>Total comprehensive income</b>	-	-	-	-	<b>991.41</b>	<b>11,945.99</b>	<b>12,937.40</b>
Transfer to Reserve Fund from Retained Earnings	-	-	-	81.25	(81.25)	-	-
Dividend distribution tax paid by a subsidiary	-	-	-	-	-	-	-
Balance as at 31 March 2021	<b>4,118.53</b>	<b>30.00</b>	<b>279.76</b>	<b>1,092.19</b>	<b>5,337.04</b>	<b>21,920.12</b>	<b>32,777.64</b>

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

#### (a) Capital Reserve

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

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

#### (b) Capital Redemption Reserve

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

#### (c) General Reserve

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

#### (d) Reserve Fund

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

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

As per our report of even date

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

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

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>1,170.42</b>	871.00
Adjustments for:		
Finance Costs	8.34	15.74
Depreciation expense	69.54	65.49
(Gain) / Loss on discard / sale of Investment Property / Property, Plant and Equipment (net)	(1.14)	3.34
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(20.65)	-
	1,226.51	955.57
Working capital adjustments:		
Decrease in Receivables	98.55	50.63
(Increase) / Decrease in Other Financial Assets	(618.48)	208.18
Decrease in Inventories	38.51	20.38
(Increase) / Decrease in Biological assets other than bearer plants	(1.32)	12.09
(Increase) in Other Non-financial Assets	(29.62)	(5.10)
(Decrease) / Increase in Payables	(26.03)	25.14
Increase / (Decrease) in Financial Liabilities	12.19	(67.52)
Increase / (Decrease) in Provisions	9.91	(3.18)
Increase in Other Non-financial Liabilities	0.33	5.82
Cash Generation from Operations	710.55	1,202.01
Income tax paid (net)	(199.82)	(145.23)
<b>Net Cash generated from Operating Activities</b>	<b>510.73</b>	1,056.78
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of Property, Plant and Equipment	1.84	-
Acquisition of Property, Plant and Equipment	(100.09)	(102.29)
Investment made	(156.12)	-
<b>Net Cash used in Investing Activities</b>	<b>(254.37)</b>	(102.29)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Lease liabilities	(2.60)	(2.41)
Interest on Lease liabilities paid	(0.80)	(0.99)
Other Interest paid	(0.42)	(1.20)
Dividend distribution tax paid by a subsidiary company, if any	-	(5.38)
<b>Net Cash used in Financing Activities</b>	<b>(3.82)</b>	(9.98)
<b>Net Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>252.54</b>	944.51
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>1,080.88</b>	136.37
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,333.42</b>	1,080.88

Change in Liability arising from financing activities

(₹ in Lakhs)

	As on 1 April 2020	Cash Flow	Change in Fair Value	As on 31 March 2021
Subordinated Liabilities [Note 21]	258.47	-	(11.35)	247.12

(₹ in Lakhs)

	As on 1 April 2019	Cash Flow	Change in Fair Value	As on 31 March 2020
Subordinated Liabilities [Note 21]	244.92	-	13.55	258.47

As per our report of even date

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

For and on behalf of the Board of Directors

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

## Notes to Consolidated financial statements for the year ended 31 March 2021

### 1. Reporting entity

Ganges Securities Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The registered office of the Company is located at Post Office Hargaon, District Sitapur, Uttar Pradesh 261121. The Company together with its wholly owned subsidiaries (collectively, the Group), is primarily engaged in investing and dealing etc. in securities and immovable properties except one subsidiary, which is engaged in tea business. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). During the year, its equity shares were delisted on Calcutta Stock Exchange (CSE) w.e.f. 26 February 2021.

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

### 2. Basis of preparation

#### 2.1 Statement of compliance

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

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 10 May 2021.

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

#### 2.2 Basis of consolidation

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

Name	Country of incorporation	% equity interest	
		31 March 2021	31 March 2020
Cinnatollah Tea Limited	India	100	100
Uttar Pradesh Trading Company Limited	India	100	100

#### Consolidation procedure:

- Combine on line-by-line basis like items of assets, liabilities, income, expenses and cash flows of the Company with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and equity of each subsidiary and any difference between them is treated as Goodwill / Capital Reserve as the case may be.
- Eliminate in full intra-group assets and liabilities, income and expenses and cash flows relating to transactions between entities of the Group. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

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

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

#### 2.3 Functional and presentation currency

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

#### 2.4 Presentation of financial statements



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

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

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

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

### 2.5 Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	Measurement basis
i) Certain financial assets and financial liabilities	Fair value
ii) Biological assets other than bearer plants	Fair value less costs to sell
iii) Employee's defined benefit plan	As per actuarial valuation (present value of defined benefit obligation less fair value of plan assets)

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

### 2.6 Use of Judgements, estimates and judgments

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

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

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

Note 8 - Determining the fair values of investments;

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

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

Note 12 - Recognition of deferred tax assets: availability of future taxable profit and income tax liabilities thereon against which carried forward tax losses / unabsorbed depreciation can be used;

"Note 13

& 15 -" Useful life and residual value of investment property and property, plant and equipment;

Note 14 - Determining the fair values of biological assets other than bearer plants on the basis of significant unobservable inputs;

Note 23 - Measurement of defined benefit obligations: key actuarial assumptions;

Note 38 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 44 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

### 2.7 Measurement of fair values

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

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

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

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

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

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

**Level 3** inputs are unobservable inputs for the asset or liability.

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

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

### **3 Significant accounting policies**

#### **3.1 Financial instruments**

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

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

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

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

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

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

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

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

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

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

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

The details of these conditions are outlined below.

##### *Business model assessment*

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

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

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

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

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

### *The SPPI test*

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

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

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

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

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

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

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

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

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

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

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

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

Financial assets: Assessment whether contractual cash flows are SPPI.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is

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

defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Derecognition**

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

### **i) Financial assets**

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

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

### **ii) Financial liabilities**

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

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

### **Offsetting**

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

### **Impairment**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **3.2 Cash and cash equivalents**

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

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

### **3.3 Inventories**

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

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

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

Raw Material in nature of harvested tea leaves raised from own gardens are measured at fair value less cost of sale at point of harvest. The same cost is used for measuring cost for the purpose of valuation of finished goods.

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

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

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

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

### 3.4 Investment property

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

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

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

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

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

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

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

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

### 3.5 Biological assets other than bearer plants

Biological assets of the Group comprises of un-harvested green tea leaves and other minor produce measured at fair value less cost of sales. The gain or loss arising from a change in fair value less cost to sell of biological assets is recognized in the Statement of Profit and Loss for the period in which it arises.

### 3.6 Property, plant and equipment

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

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

If significant part of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items

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

(major components) of property, plant and equipments.

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

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

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

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

### 3.7 Bearer Plants

Bearer Plants which are used in the production or supply of agricultural produce and expected to bear produce for more than a period of twelve months are capitalized as part of Property, Plant and Equipment and are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any). The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest.

Depreciation on bearer plants is recognized so as to write off its cost over useful lives, using the straight-line method.

The residual value in case of Bearer Plants has been considered as NIL. Estimated useful life of the bearer plants has been determined as 50 years.

### 3.8 Capital work-in-progress (CWIP)

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

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants.

### 3.9 Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets that are not individually identified and separately recognized acquired pursuant to a composite scheme of arrangement ("the scheme") approved by the NCLT. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### 3.10 Lease

#### *As a lessee*

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

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

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



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

depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

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

### **(b) Lease Liabilities**

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

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

Short-term lease and lease of low-value assets

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

### **As a lessor**

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

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

## **3.11 Employee benefits**

### **Short-term employee benefits**

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

### **Defined contribution plans**

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

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

### **Defined benefit plans**

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

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculat-

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

ed by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Group. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

### Compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature.

The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurement gains or losses are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-accumulating compensated absences are recognised in the period in which the absences occur.

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

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

### 3.13 Contingent liabilities and contingent assets

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

### 3.14 Recognition of income and expenses

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

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

**Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to

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

transfer a good or service to the customer.

**Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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

### **Dividend income**

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

### **Trading income**

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

### **Expenses**

All expenses are accounted for on accrual basis.

## **3.15 Recognition of interest income**

### **The effective interest rate method**

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

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

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

Interest income

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

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

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

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

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

### 3.16 Income tax

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

#### **Current tax**

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

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

#### **Deferred tax**

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

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

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

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

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

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

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

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

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

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

### 3.18 Earnings per share

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

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

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

### 3.19 Dividend on ordinary shares

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

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

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

### 3.20 Determination of fair values

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

#### *i) Financial assets*

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

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

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

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

#### *iii) Financial liabilities*

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

### 3.21 Recent accounting pronouncement

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

#### **Balance Sheet:**

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

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

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

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

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

### 4. Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Cash on hand	15.27	21.13
Balances with banks		
- Current accounts	167.09	424.52
Cheques on hand	-	-
Bank deposits having maturity of three months or less of original maturities	1,151.06	635.23
	<b>1,333.42</b>	<b>1,080.88</b>

### 5. Other bank balances

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Bank deposits due to mature after three months of original maturities but not more than twelve months of the reporting date	2,763.43	2,011.49
	<b>2,763.43</b>	<b>2,011.49</b>

### 6. Receivables

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade Receivables		
Considered good - Unsecured	58.92	134.20
Considered doubtful - Unsecured	11.82	11.82
	70.74	146.02
Less: Provision for doubtful debts	11.82	11.82
	58.92	134.20
Other Receivables		
Considered good - Unsecured	-	23.27
	-	23.27
	<b>58.92</b>	<b>157.47</b>

- (a) No debt is due by directors or other officers of the Group or any of them either severally or jointly with any other person or firms including limited liabilities partnership (LLPs) or private companies respectively in which any director is a partner or a director or a member.
- (b) Information about the Group's exposure to credit risks and loss allowances related to debts are disclosed in Note 44 (C).

### 7. Loans

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
At amortised cost		
Inter-corporate deposits (unsecured)	2,700.00	2,700.00
	<b>2,700.00</b>	<b>2,700.00</b>

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

### 8. Investments

(₹ in lakhs)

	No. of Shares	Face Value of Share (₹)	As at 31 March 2021	As at 31 March 2020
<b>Equity shares (fully paid) carried at FVOCI - Quoted</b>				
- Sutlej Textiles & Industries Ltd.	3,04,16,970	1.00	11,938.66	5,961.73
- SIL Investments Ltd.	20,19,339	10.00	3,928.62	1,614.46
- Avadh Sugar & Energy Ltd.	14,78,624	10.00	2,741.37	1,746.99
- Chambal Fertilisers & Chemicals Ltd.	19,66,795	10.00	4,504.94	2,126.10
- Palash Securities Ltd.	12,83,234	10.00	573.61	236.76
- New India Retailing & Investment Ltd.	2,85,573	10.00	85.67	85.67
			<b>23,772.87</b>	<b>11,771.71</b>
<b>Equity shares (fully paid) carried at FVOCI - Unquoted</b>				
- Manbhawani Investment Ltd.	73,500	10.00	934.54	1,069.65
- Manavta Holdings Ltd.	73,500	10.00	473.20	562.89
- Shree Vihar Properties Ltd.	3,86,930	10.00	348.24	58.43
(31 March 2020: 2,24,307)				
- Birla Building Ltd.	8,400	10.00	62.33	34.86
- Modern Diagen Services Ltd.	13,196	10.00	2.30	2.24
- Moon Corporation Ltd.	2,874	5.00	7.38	1.00
- India Educational & Research Institution Pvt. Ltd.	24,500	10.00	2.39	1.66
- Bihar State Financial Corporation Ltd.	60	100.00	-	-
- Haryana Oxygen Ltd.	5,000	10.00	-	-
- Taparia Ltd.	3,500	10.00	-	-
			<b>1,830.38</b>	<b>1,730.73</b>
<b>Equity shares (partly paid) carried at FVOCI - Unquoted</b>				
- Modern Diagen Services Ltd. (party paid by ₹ 2 each)	13,06,404	10.00	45.59	44.29
			45.59	44.29
<b>Preference shares (fully paid) carried at FVOCI - Unquoted</b>				
- Raj Kamal Prakashan Ltd.	50	100.00	-	-
			-	-
			<b>25,648.84</b>	<b>13,546.73</b>
Investments outside India			-	-
Investments in India			25,648.84	13,546.73
			<b>25,648.84</b>	<b>13,546.73</b>

- Out of the above, 30,00,000 and 12,62,635 equity shares of Sutlej Textiles & Industries Limited and Chambal Fertilisers & Chemicals Limited respectively have been pledged in favour of ICICI Bank Limited to secure loan facilities granted to a third party.
- The Group received dividends of ₹ **265.27 lakhs** (31 March 2020: ₹ 372.36 lakhs) from its investments in equity shares, carried at FVOCI, recorded in the Statement of profit and loss as dividend income.
- The Group has designated its equity investments at FVOCI on the basis that these are not held for trading and held for strategic purposes.
- No strategic investment was disposed off during 2020-21 and there were no transfer of any cumulative gain or loss within equity relating to these investments.
- The cost of following unquoted investments in equity shares (fully paid up) had been written off in earlier years, though quantity thereof appears in the books:

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

Name of the company	No. of shares	Face Value per share (in ₹)
APV Texmaco Ltd. (in liquidation)	20,400	10.00
Chandausi Rice Mills Ltd. (Strike off)	1,000	10.00
Lease Communications Ltd. (Strike off)	21,000	10.00
Maruti Ltd. (Strike off)	40,000	10.00

### 9. Other Financial Assets

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Bank deposits due to mature after twelve months of the reporting date	-	100.00
At amortised cost		
Balance with Tea Development Account Scheme, 1990	296.65	296.64
Security deposits	5.40	5.40
Interest accrued on inter-corporate deposits	18.03	51.50
Interest accrued on bank deposits	46.69	46.69
	<b>366.77</b>	<b>500.23</b>

### 10. Inventories

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
(Value at lower of cost and net realisable value)		
Finished goods	77.55	71.95
Stores, chemicals and spare parts	135.11	179.22
	<b>212.66</b>	<b>251.17</b>

### 11. Current Tax Assets (net)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Advance tax, self assessment tax and tax deducted at sources	331.10	979.80
Less: Provision for taxation	193.07	896.13
	<b>138.03</b>	<b>83.67</b>

### 12. Deferred Tax Assets (net)

The Group except Cinnatollah Tea Limited (CTL), a wholly owned subsidiary of the Company, has recognised deferred tax assets on carried forward business losses, unabsorbed depreciation, other timing differences and net change in fair value of investments at FVOCI from admissible cost of the same as per the provisions of the Income Tax Act, 1961 to the extent of deferred tax liabilities.

CTL has recognised deferred tax assets / liabilities on carried forward business losses, unabsorbed depreciation and other timing differences between the carrying amount of an asset or liability in the balance sheet and its tax base. CTL has recognised deferred tax assets / liabilities in view of a reasonable certainty.

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

(₹ in lakhs)



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

	As at 31 March 2020	Recognised in profit or loss	Recognised in OCI	As at 31 March 2021
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	282.48	(95.72)	-	186.76
Investments - Quoted	4,447.58	-	(1,368.96)	3,078.62
Provision for employee's benefits	59.70	(0.75)	(4.03)	54.92
Other provisions	2.97	3.16	-	6.13
Deduction of disallowances allowed on payment basis	46.97	(18.93)	-	28.04
Investments- Unquoted Preference Shares	0.03	-	-	0.03
	<b>4,839.73</b>	<b>(112.24)</b>	<b>(1,372.99)</b>	<b>3,354.50</b>
Less : Deferred tax assets not recognised *	4,336.73	(67.75)	(1,391.18)	2,877.80
	<b>503.00</b>	<b>(44.49)</b>	<b>18.19</b>	<b>476.70</b>
<b>Deferred tax liabilities</b>				
Investments - Unquoted	368.21	-	22.22	390.43
Investment Property	11.61	(11.61)	-	-
Property, plant and equipments	52.57	12.66	-	65.23
	<b>432.39</b>	<b>1.05</b>	<b>22.22</b>	<b>455.66</b>
<b>Net deferred tax assets</b>	<b>70.61</b>	<b>(45.54)</b>	<b>(4.03)</b>	<b>21.04</b>

(₹ in lakhs)

	As at 31 March 2019	Recognised in profit or loss	Recognised in OCI	As at 31 March 2020
<b>Deferred tax assets</b>				
Carried forward tax losses / unabsorbed depreciation	353.56	(71.08)	-	282.48
MAT credit entitlement	3.22	(3.22)	-	-
Investments - Quoted	3,080.92	-	1,366.66	4,447.58
Provision for employee's benefits	55.28	(6.07)	10.49	59.70
Other provisions	3.29	(0.32)	-	2.97
Deduction of disallowances allowed on payment basis	53.75	(6.78)	-	46.97
Investments- Unquoted Preference Shares	0.03	-	-	0.03
	<b>3,550.05</b>	<b>(87.47)</b>	<b>1,377.15</b>	<b>4,839.73</b>
Less : Deferred tax assets not recognised *	3,047.62	(68.82)	1,357.93	4,336.73
	<b>502.43</b>	<b>(18.65)</b>	<b>19.22</b>	<b>503.00</b>
<b>Deferred tax liabilities</b>				
Investments - Unquoted	359.48	-	8.73	368.21
Investment Property	14.65	(3.04)	-	11.61
Property, plant and equipments	44.38	8.19	-	52.57
	<b>418.51</b>	<b>5.15</b>	<b>8.73</b>	<b>432.39</b>
<b>Net deferred tax assets</b>	<b>83.92</b>	<b>(23.80)</b>	<b>10.49</b>	<b>70.61</b>

\* Deferred tax assets other than related to CTL have been recognised to the extent of Deferred tax liabilities.

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

### 13. Investment Property

(₹ in lakhs)

	Freehold Land	Buildings	Total
<b>Reconciliation of carrying amount</b>			
<b>Cost or deemed cost (gross carrying amount)</b>			
Balance at 1 April 2019	2.47	59.09	61.56
Additions during the year	-	-	-
Disposals / discard during the year	-	4.04	4.04
Balance at 31 March 2020	<b>2.47</b>	<b>55.05</b>	<b>57.52</b>
<b>Additions during the year</b>	-	-	-
<b>Disposals / discard during the year</b>	-	-	-
<b>Balance at 31 March 2021</b>	<b>2.47</b>	<b>55.05</b>	<b>57.52</b>
<b>Accumulated depreciation</b>			
Balance at 1 April 2019	-	2.76	2.76
Depreciation for the year	-	2.25	2.25
Disposals / discard during the year	-	0.70	0.70
Balance at 31 March 2020	-	4.31	4.31
<b>Depreciation for the year</b>	-	<b>2.36</b>	<b>2.36</b>
<b>Disposals / discard during the year</b>	-	-	-
<b>Balance at 31 March 2021</b>	-	<b>6.67</b>	<b>6.67</b>
<b>Carrying amount (net)</b>			
At 31 March 2020	2.47	50.74	53.21
<b>At 31 March 2021</b>	<b>2.47</b>	<b>48.38</b>	<b>50.85</b>

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

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Freehold Land	275.21	267.19
Buildings	48.38	50.74
<b>Total</b>	<b>323.59</b>	<b>317.93</b>

The amounts recognised in profit or loss for:

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Rental income from investment property	25.03	27.08
(ii) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year; and	2.81	2.16
(iii) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year.	5.92	7.34

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

### 14. Biological Assets other than bearer plants

(₹ in lakhs)

Biological Assets other than bearer plants	
<b>Reconciliation of carrying amount</b>	
Balance at 1 April 2019	12.09
Net change in fair value estimated costs to sell [Note 29]	(12.09)
Decrease due to sales / written off	-
Balance at 31 March 2020	-
<b>Net change in fair value estimated costs to sell [Note 35]</b>	<b>1.33</b>
<b>Decrease due to sales / written off</b>	<b>-</b>
<b>Balance at 31 March 2021</b>	<b>1.32</b>
<b>Carrying amount (net)</b>	
At 31 March 2020	-
At 31 March 2021	1.32

### 15. Property, Plant and Equipment

(₹ in Lakhs)

	Freehold Land	Buildings	Plant and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Right-of-use assets [Note 40]	Total
<b>Reconciliation of carrying amount</b>									
<b>Cost or deemed cost</b>									
<b>(gross carrying amount)</b>									
Balance at 1 April 2019	15.00	583.77	324.22	3.67	25.97	71.29	2.69	-	1,026.61
Additions during the year	-	75.75	36.62	0.23	1.54	0.69	1.06	12.42	128.31
Disposals / discard during the year	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	<b>15.00</b>	<b>659.52</b>	<b>360.84</b>	<b>3.90</b>	<b>27.51</b>	<b>71.98</b>	<b>3.75</b>	<b>12.42</b>	<b>1,154.92</b>
Additions during the year	-	7.41	59.24	1.35	1.15	29.18	1.00	-	99.33
Disposals / discard during the year	-	-	10.87	-	-	3.15	-	-	14.02
<b>Balance at 31 March 2021</b>	<b>15.00</b>	<b>666.93</b>	<b>409.21</b>	<b>5.25</b>	<b>28.66</b>	<b>98.01</b>	<b>4.75</b>	<b>12.42</b>	<b>1,240.23</b>
<b>Accumulated depreciation</b>									
Balance at 1 April 2019	-	14.87	34.73	0.83	4.31	8.58	0.71	-	64.03
Depreciation for the year	-	15.34	26.71	0.81	3.99	13.13	0.51	2.76	63.25
Disposals / discard during the year	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	-	<b>30.21</b>	<b>61.44</b>	<b>1.64</b>	<b>8.30</b>	<b>21.71</b>	<b>1.22</b>	<b>2.76</b>	<b>127.28</b>
Depreciation for the year	-	17.09	27.76	0.93	4.12	13.86	0.66	2.76	67.18
Disposals / discard during the year	-	-	10.33	-	-	2.99	-	-	13.32
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>47.30</b>	<b>78.87</b>	<b>2.57</b>	<b>12.42</b>	<b>32.58</b>	<b>1.88</b>	<b>5.52</b>	<b>181.14</b>
<b>Carrying amount (net)</b>									
At 31 March 2020	15.00	629.31	299.40	2.26	19.21	50.27	2.53	9.66	1,027.64
At 31 March 2021	<b>15.00</b>	<b>619.63</b>	<b>330.34</b>	<b>2.68</b>	<b>16.24</b>	<b>65.43</b>	<b>2.87</b>	<b>6.90</b>	<b>1,059.09</b>

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

### 16. Capital Work-in-Progress

(₹ in lakhs)

	Capital Work-in-Progress
<b>Reconciliation of carrying amount</b>	
Balance at 1 April 2019	80.72
Additions during the year	80.44
Expenditure on Bear Plants during the year	21.84
Transfer to Property, Plant and Equipment during the year	(115.89)
Balance at 31 March 2020	<b>67.11</b>
<b>Additions during the year</b>	<b>29.05</b>
<b>Expenditure on Bear Plants during the year</b>	<b>22.79</b>
<b>Transfer to Property, Plant and Equipment during the year</b>	<b>(51.08)</b>
<b>Balance at 31 March 2021</b>	<b>67.87</b>
<b>Carrying amount</b>	
At 31 March 2020	67.11
<b>At 31 March 2021</b>	<b>67.87</b>

### 17. Goodwill

(₹ in lakhs)

	Goodwill
<b>Reconciliation of carrying amount</b>	
Balance at 1 April 2019	90.11
Additions during the year	-
Impairment during the year	-
Balance at 31 March 2020	90.11
<b>Additions during the year</b>	-
<b>Impairment during the year</b>	-
<b>Balance at 31 March 2021</b>	<b>90.11</b>
<b>Carrying amount</b>	
At 31 March 2020	90.11
<b>At 31 March 2021</b>	<b>90.11</b>

### 18. Other Non-financial Assets

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
<i>(Unsecured, considered good)</i>		
<b>Capital Advances</b>	<b>29.25</b>	<b>29.25</b>
<b>Advances other than Capital Advances</b>		
Advances to suppliers	13.32	13.65
Other advances		
- Balance with Government Authorities	54.06	28.16
- Prepaid Expenses	10.11	6.06
	<b>106.74</b>	<b>77.12</b>

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

### 19. Payables

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises; and	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	61.47	89.68
	<b>61.47</b>	<b>89.68</b>
Other Payables		
Total outstanding dues of micro enterprises and small enterprises; and	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	-	-

The Group's exposure to currency and liquidity risks related to trade payable are disclosed in Note 44(C).

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

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
The following details relating to Micro enterprises and small enterprises are as under:		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
Total	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
At amortised cost		
Loan from a corporate body (unsecured)	-	-
	-	-

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

### 21. Subordinated Liabilities

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
1,50,000 12% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each at amortised cost	-	258.47
2,40,000 8.5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each at amortised cost	247.12	-
	<b>247.12</b>	<b>258.47</b>

Rights, preferences and restrictions attached to 8.5% non-convertible cumulative redeemable preference shares of ₹ 100 each:

The NCCRPS of ₹ 100 each carries dividend @ 8.5% per annum. NCCRPS shall be redeemable at par on 11 October 2030 being ten years from the date of the original allotment i.e. 12 October 2020 with a sole right vested to the Board of Directors of the Company to redeem it earlier. The dividend is payable at the time of redemption of the NCCRPS. However, the Board reserves the right to pay dividend earlier subject to availability of the profit.

The Company has allotted the above NCCRPS in lieu of redemption of 1,50,000 12% NCCRPS of ₹ 100 each together with unpaid dividend thereon to the existing holders of such Preference Shares, pursuant to the order of National Company Law Tribunal, Allahabad, Uttar Pradesh passed on 24 September 2020.

### 22. Other Financial Liabilities

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Lease liabilities	7.41	10.01
Payable to employees	229.30	216.00
Liabilities for Capital Goods	29.25	30.36
	<b>265.96</b>	<b>256.37</b>

### 23. Provisions

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>Provision for employee benefits</b>		
Net defined benefit liability - Gratuity	208.19	216.27
Liability for compensated absences	22.91	20.94
	<b>231.10</b>	<b>237.21</b>
<b>Other Provisions</b>		
For standard assets	11.20	11.20
	11.20	11.20
	<b>242.30</b>	<b>248.41</b>

#### Reconciliation of Other Provisions:

(₹ in lakhs)

	As at 1 April 2019	Provided during the year	As at 31 March 2020	Provided during the year	As at 31 March 2021
For standard assets	11.20	-	11.20	-	11.20

Every NBFC is required to make provision towards its standard assets at the rate notified by Reserve Bank of India and disclosed separately as "Contingent Provision against Standard Assets".

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

### Defined benefits - Gratuity Plan

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

### Net defined benefit liabilities

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligations	471.41	453.58
Fair value of plan assets	263.22	237.31
Net defined benefit liabilities	<b>208.19</b>	<b>216.27</b>

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

CTL expects to contribute ₹ 40.00 lakhs to Gratuity Fund in the next year.

### Inherent risk

The plan is defined benefit in nature which is sponsored by CTL and hence it underwrites all the risk pertaining to the plan. In particular, this exposes CTL, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, fair value of defined plan assets, actuarial gain / (loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information:

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

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the beginning of the year	453.58	393.66
(b) Service cost	25.83	24.49
(c) Interest cost	28.94	27.98
(d) Benefits paid	(20.92)	(34.23)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	(5.53)	34.93
- due to change in demographic assumptions	-	(0.17)
- due to experience changes	(10.49)	6.92
<b>Balance at the end of the year</b>	<b>471.41</b>	<b>453.58</b>
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the beginning of the year	237.31	210.50
(b) Actual return on plan assets	15.83	16.04
(c) Contributions by the employer	31.00	45.00
(d) Benefits paid	(20.92)	(34.23)
<b>Balance at the end of the year</b>	<b>263.22</b>	<b>237.31</b>
<b>(iii) Expense recognised in Employee benefits expenses</b>		
(a) Service cost	25.83	24.49
(b) Interest cost	28.94	27.98
(c) Interest income	(15.83)	(16.04)
<b>Amount charged to Employee benefits expenses</b>	<b>38.94</b>	<b>36.43</b>
<b>(iv) Remeasurement recognised in Other Comprehensive Income</b>		
(a) Actuarial gain/(loss) on defined benefit obligations	16.02	(41.68)
<b>Amount recognised in Other Comprehensive Income</b>	<b>16.02</b>	<b>(41.68)</b>

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

	As at 31 March 2021	As at 31 March 2020
<b>(v) Plan assets</b>		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
<b>(vi) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	6.66%	6.53%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates	Less than 40 Years - 4.2%	
	40 Years and above - 0%	

Assumptions regarding future mortality experience are set in accordance with the published rates under **Indian Assured Lives Mortality (2012-14)**

### (vii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ in lakhs)

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(23.11)	29.10	(21.81)	27.72
(b) Future salary growth (1% movement)	29.05	(23.11)	27.66	(21.81)

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

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

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Within the next 12 months (next annual reporting period)	72.60	71.78
Between 1 and 5 years	102.81	92.37
Between 5 and 10 years	188.26	185.82
Beyond 10 years	633.01	612.47
	<b>996.68</b>	<b>962.44</b>

## 24. Other Non-financial Liabilities

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Advance from customers	-	-
Statutory dues	24.23	23.90
	<b>24.23</b>	<b>23.90</b>



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

### 25. Share Capital

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
<b>Authorised:</b>		
1,35,00,000 equity shares of ₹ 10 each	1,350.00	1,350.00
45,00,000 preference shares of ₹ 100 each	450.00	450.00
	<b>1,800.00</b>	<b>1,800.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
1,00,03,687 equity shares of ₹ 10 each	1,000.37	1,000.37
	<b>1,000.37</b>	<b>1,000.37</b>

2,40,000 8.5% NCCRPS of ₹ 100 each (31 March 2020: 1,50,000 12% NCCRPS of ₹ 100 each (redeemed)) issued are classified as Subordinated Liabilities [Note 21].

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

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
<b>Equity shares</b>				
At the beginning and end of the year	<b>1,00,03,687</b>	<b>1,000.37</b>	1,00,03,687	1,000.37

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

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

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

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

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

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
<b>Equity shares of ₹ 10 each fully paid up held by</b>				
SIL Investments Limited	13,38,430	13.38	13,38,430	13.38
New India Retailing & Investment Limited	8,38,367	8.38	8,38,367	8.38
Navjeevan Medical Institute	6,21,466	6.21	6,21,466	6.21
Yashovardhan Investment & Trading Co. Limited	5,89,759	5.90	5,89,759	5.90
Hargaon Investment & Trading Co. Limited	5,69,252	5.69	5,69,252	5.69
<b>8.5% NCCRPS of ₹ 100 each fully paid up held by</b>				
Yashovardhan Investment & Trading Co. Limited	1,02,000	42.50	-	-
Shital Commercial Limited	40,800	17.00	-	-
Hargaon Investment & Trading Co. Limited	34,800	14.50	-	-
Deepshikha Trading Co. Pvt. Limited	26,400	11.00	-	-
Uttam Commercial Limited	20,400	8.50	-	-
SIL Investments Limited	15,600	6.50	-	-
<b>NCCRPS of ₹ 100 each fully paid up held by</b>				
Yashovardhan Investment & Trading Co. Limited	-	-	63,750	42.50
Shital Commercial Limited	-	-	25,500	17.00
Hargaon Investment & Trading Co. Limited	-	-	21,750	14.50
Deepshikha Trading Co. Pvt. Limited	-	-	16,500	11.00
Uttam Commercial Limited	-	-	12,750	8.50
SIL Investments Limited	-	-	9,750	6.50

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

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Issued pursuant to the scheme of arrangement:					
Equity shares of ₹ 10 each allotted as fully paid-up	-	-	-	-	1,00,03,687
Preference shares of ₹ 100 each allotted as fully paid-up	-	-	-	-	1,50,000
"Issued pursuant to the order of NCLT: (refer Note 21)"					
Preference shares of ₹ 100 each allotted as fully paid-up	2,40,000	-	-	-	-

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

### 26. Other Equity

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
<b>Capital Reserve</b>		
Balance at the beginning and at the end of the year	4,118.53	4,118.53
<b>Capital Redemption Reserve</b>		
Balance at the beginning and at the end of the year	30.00	30.00
<b>General Reserve</b>		
Balance at the beginning and at the end of the year	279.76	279.76
<b>Reserve Fund</b>		
Balance at the beginning of the year	1,010.94	911.79
Add: Transfer from Retained Earnings	81.25	99.15
Balance at the end of the year	1,092.19	1,010.94
<b>Retained Earnings</b>		
Balance at the beginning of the year	4,426.88	3,848.51
Add: Profit for the year	979.42	714.09
Add: Remeasurement of defined benefit liability / (asset) (net of tax)	11.99	(31.19)
Less: Dividend distribution tax paid by subsidiaries of the Company, if any	-	(5.38)
Less: Transfer to Reserve Fund	(81.25)	(99.15)
Balance at the end of the year	5,337.04	4,426.88
<b>Equity Instruments through OCI</b>		
Balance at the beginning of the year	9,974.13	21,202.10
Net change in fair value during the year	11,945.99	(11,227.97)
Balance at the end of the year	21,920.12	9,974.13
	32,777.64	19,840.24

### 27. Interest Income

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
<i>On financial assets measured at amortised cost</i>		
Interest on inter-corporate deposits	229.50	230.13
Interest on deposits with bank	187.09	186.80
	416.59	416.93

### 28. Sale of Products

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Finished goods - Tea	2,787.97	2,388.79
Tea Waste Sale	11.22	8.32
	2,799.19	2,397.11

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

### Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":

- (a) Nature of goods and services: CTL, being subsidiary of the Company, is engaged in the manufacturing and sale of tea and other related agricultural produce. Tea business is only reportable segment of CTL.
- (b) Disaggregation of revenue: The major product of CTL is tea and operating in India only. CTL recognises its revenues at a point in time. The contract with customers are of short term duration (less than 30 days) and all sales are direct to customers.
- (c) Contract balances: Receivables from contract with customers of CTL are provided as per table below. . Contract assets and contract liabilities from contract with customers of CTL is nil as on 31 March 2021 and 31 March 2020.

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables' (Refer Note - 8)	58.92	134.19
Contract assets		
Contract liabilities (Advance received from Customer)		
Total (Assets - Liabilities)	<b>58.92</b>	<b>134.19</b>

### 29. Other Income

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on refund from income tax department	0.11	0.12
Net change in fair value of biological assets other than bearer plant [Note 14]	1.32	-
Gain on sale / discard of Property, Plant and Equipment (net)	1.14	-
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	20.65	-
Miscellaneous Receipts	2.49	0.03
	<b>25.71</b>	<b>0.15</b>

### 30. Finance Costs

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
On Financial Liabilities measured at amortised cost:		
Interest on Borrowings (other than securities)	0.09	1.19
Interest on Subordinated Liabilities	7.12	13.55
Interest on Lease Liabilities	0.80	0.99
Interest on Income Tax	0.33	0.01
	<b>8.34</b>	<b>15.74</b>

### 31. Fees and Commission Expenses

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Commission on Sales	29.34	22.21
Listing and Other Regulatory Fees	10.01	7.19
ROC Fees	0.52	2.47
	<b>39.87</b>	<b>31.87</b>

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

### 32. Changes in Inventories of finished goods

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Finished goods at the end of the year	77.55	71.95
Finished goods at the beginning of the year	71.95	88.08
	<b>(5.60)</b>	<b>16.13</b>

### 33. Employee Benefits Expenses

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages, bonus etc.	1,189.68	1,246.59
Contribution to provident and other funds *	135.03	141.05
Expenses related to post-employment defined benefit plans [Note 23]	40.31	37.94
Staff welfare expenses	146.50	149.70
	<b>1,511.52</b>	<b>1,575.28</b>

\* are defined contribution plans.

### 34. Depreciation Expenses

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Investment Property	2.36	2.25
Depreciation on Property, Plant and Equipments	67.18	63.24
	<b>69.54</b>	<b>65.49</b>

### 35. Other Expenses

(₹ in lakhs)

	Year ended 31 March 2021		Year ended 31 March 2020	
Consumption of Stores, Spares and Packing Materials		150.66		147.87
Repairs and Maintenance		41.96		48.47
Rent, Tax and Energy Costs		258.89		243.54
Communication Costs		7.52		6.61
Printing and Stationery		4.03		4.47
Advertisement and Publicity		1.18		1.45
Director's Sitting Fees		2.70		2.28
Payment to Auditors				
<i>As Auditors</i>				
- Statutory audit	4.43		3.18	
- Limited review of quarterly results	2.66		1.91	
<i>In other capacity</i>				
- For certificates and other services	4.29	11.38	2.75	7.84
Legal and Professional Charges		77.13		53.63
Charity and Donations		-		-
Insurance		10.66		8.49
Freight and Forwarding Charges		13.99		18.76
Loss on Sales / Discard of Investment Property (net)		-		3.34
Net change in fair value of biological assets other than bearer plant [Note 14]		-		12.09

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

Provision for Standard Assets		-		-
Miscellaneous Expenses		157.60		79.28
		<b>737.70</b>		<b>638.12</b>

### 36. Tax expense

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Current tax</b>	147.08	132.51
<b>Provision for tax related to earlier years</b>	-	0.60
<b>Provision related to earlier years no longer required written back</b>	(1.62)	-
<b>Deferred tax charge / (credit)</b>		
Attributable to origination and reversal of temporary differences	45.54	23.80
<b>Total tax expense for the year</b>	<b>191.00</b>	<b>156.91</b>

### Reconciliation of tax expense

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Profit before tax</b>	<b>1,170.42</b>	<b>871.00</b>
Tax using the Group's domestic tax applicable rates*	409.87	224.90
Tax effect of:		
- Deferred tax expense (net of deferred tax credit) adjusted with deferred tax assets not recognised	(67.75)	(68.82)
- Tax benefits lapsed due to exercise the option available under Section 115 BAA of Income Tax Act, 1961	-	24.70
- Lower applicable tax rate due to opt the option available under Section 115 BAA of Income Tax Act, 1961	-	42.16
- Time barred carried forward business losses	-	2.07
- Provision for tax related to earlier years	(29.61)	0.60
- Provision related to earlier years no longer required written back	-	-
- Excess Provision made for the year	-	-
- Interest expense on Preference shares classified as liability not deductible for tax purposes	(14.57)	3.10
- Other permanent differences	(106.94)	(71.80)
<b>Effective tax rate</b>	<b>191.00</b>	<b>156.91</b>

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

### 37. Earnings per equity share (EPS)

Basic and Diluted earnings per share

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

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Profit attributable to equity shareholders (₹ in lakhs)	979.42	714.09
(ii) Weighted average number of equity shares for the year		
At the beginning and at the end of the year	1,00,03,687	1,00,03,687
(iii) Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]		
Basic and Diluted (₹)	<b>9.79</b>	<b>7.14</b>

There is no dilutive potential equity share.

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

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

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
(a) Uncalled Capital on partly paid shares held as investment	104.51	104.51

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

### 40. Lease

The company has a lease contract for land. The carrying amount of lease liabilities and right of use assets and its movement is given below:"

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

#### As Lessee

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

(₹ in lakhs)

Particulars	
Balance as at 1 April 2019	-
Recognised on account of adoption of Ind AS 116 as at 1 April 2019	12.42
Additions during the year	-
Depreciation for the year	2.76
<b>Balance as at 31 March 2020</b>	<b>9.66</b>
Balance as at 1 April 2020	9.66
Additions during the year	-
Depreciation for the year	2.76
<b>Balance as at 31 March 2021</b>	<b>6.90</b>

#### (ii) Movement in lease liabilities:

(₹ in lakhs)

Particulars	
Balance as at 1 April 2019	-
Recognised on account of adoption of Ind AS 116 as at 1 April 2019	12.42
Additions during the year	-
Finance cost accrued during the year	0.99
Payment of lease liabilities for the year	(3.40)
<b>Balance as at 31 March 2020</b>	<b>10.01</b>
Balance as at 1 April 2020	10.01
Additions during the year	-
Finance cost accrued during the year	0.80
Payment of lease liabilities for the year	(3.40)
<b>Balance as at 31 March 2021</b>	<b>7.41</b>

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

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

(₹ in lakhs)

Particulars	As at 31 March 2021
Less than one year	3.40
More than one year	8.50
<b>Total</b>	<b>11.90</b>

### (iv) Amounts recognised in profit or loss:

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on lease liabilities	0.80	0.99
Expenses relating to short-term and low-value leases	-	-
<b>Total</b>	<b>0.80</b>	<b>0.99</b>

### (v) Amounts recognised in the statement of cash flows

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total cash outflow of leases including cash outflow for short term leases and leases of low value	3.40	3.40

There is no significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

## 41. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments and its operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segments and assess their performance.

**The Group has two reportable segments as described below, which are the Group's strategic business:**

Investing Business	Consists of interest income from inter-corporate deposits and bank deposits and dividend income from investment in shares and securities.
Tea Business	Consists of business of manufacturing tea.

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

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations		
Investing Business	681.86	789.29
Tea Business	2,799.19	2,397.11
	<b>3,481.05</b>	<b>3,186.40</b>



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

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Segment results</b>		
Investing Business	625.66	753.43
Tea Business	546.42	142.48
	<b>1,172.08</b>	<b>895.91</b>
Less: Finance costs	8.34	15.74
Less: Other unallocable expenditure (net of unallocable income)	(6.69)	9.17
<b>Profit / (Loss) before tax</b>	<b>1,170.43</b>	<b>871.00</b>
Other segment information		
Capital expenditure - Property, Plant and Equipment		
Investing Business	-	-
Tea Business	202.25	346.48
	<b>202.25</b>	<b>346.48</b>
Depreciation		
Investing Business	7.16	5.89
Tea Business	62.38	59.60
	<b>69.54</b>	<b>65.49</b>

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Segment assets</b>		
Investing Business	31,282.03	18,487.16
Tea Business	1,844.59	1,995.12
Unallocable Assets	1,492.49	1,235.16
<b>Total assets</b>	<b>34,619.11</b>	<b>21,717.44</b>
<b>Segment liabilities</b>		
Investing Business	43.81	56.50
Tea Business	542.74	561.86
Unallocable Liabilities	254.54	258.47
<b>Total liabilities</b>	<b>841.09</b>	<b>876.83</b>

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

### 42. Maturity analysis of assets and liabilities

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

(₹ in lakhs)

Particulars	As at 31 March 2021		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	1,333.42	-	1,333.42
Bank Balances other than Cash and Cash Equivalents	2,763.43	-	2,763.43
Receivables	58.92	-	58.92
Loans	2,700.00	-	2,700.00
Investments	-	25,648.84	25,648.84
Other Financial Assets	169.45	197.32	366.77
<i>Non-financial Assets:</i>			
Inventories	212.66	-	212.66
Current Tax Assets (net)	138.03	-	138.03
Deferred Tax Assets (net)	-	21.04	21.04
Investment Property	-	50.85	50.85
Biological Assets other than bearer plants	1.32	-	1.32
Property, Plant and Equipment	-	1,059.09	1,059.09
Capital Work-in-Progress	-	67.87	67.87
Goodwill	-	90.11	90.11
Other Non-financial Assets	77.49	29.25	106.74
<b>Total Assets</b>	<b>7,454.72</b>	<b>27,164.37</b>	<b>34,619.09</b>
<i>Financial Liabilities:</i>			
Payables	61.47	-	61.47
Subordinated Liabilities	-	247.12	247.12
Other Financial Liabilities	232.11	33.85	265.96
<i>Non-financial Liabilities:</i>			
Provisions	51.35	190.95	242.30
Other Non-financial Liabilities	24.23	-	24.23
<b>Total Liabilities</b>	<b>369.16</b>	<b>471.92</b>	<b>841.08</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>7,085.56</b>	<b>26,692.45</b>	<b>33,778.01</b>

(₹ in lakhs)

Particulars	As at 31 March 2020		
	Within twelve months	After twelve months	Total
<i>Financial Assets:</i>			
Cash and Cash Equivalents	1,080.88	-	1,080.88
Bank Balances other than Cash and Cash Equivalents	2,011.49	-	2,011.49
Receivables	157.47	-	157.47
Loans	2,700.00	-	2,700.00
Investments	-	13,546.73	13,546.73
Other Financial Assets	500.23	-	500.23
<i>Non-financial Assets:</i>			
Inventories	251.17	-	251.17
Current Tax Assets (net)	83.67	-	83.67
Deferred Tax Assets (net)	-	70.61	70.61

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

Investment Property	-	53.21	53.21
Biological Assets other than bearer plants	-	-	-
Property, Plant and Equipment	-	1,027.64	1,027.64
Capital Work-in-Progress	-	67.11	67.11
Goodwill	-	90.11	90.11
Other Non-financial Assets	47.87	29.25	77.12
<b>Total Assets</b>	<b>6,832.78</b>	<b>14,884.66</b>	<b>21,717.44</b>
<i>Financial Liabilities:</i>			
Payables	89.68	-	89.68
Subordinated Liabilities	258.47	-	258.47
Other Financial Liabilities	219.40	36.97	256.37
<i>Non-financial Liabilities:</i>			
Provisions	52.19	196.22	248.41
Other Non-financial Liabilities	23.90	-	23.90
<b>Total Liabilities</b>	<b>643.64</b>	<b>233.19</b>	<b>876.83</b>
<b>Net Assets [Total Assets - Total Liabilities]</b>	<b>6,189.14</b>	<b>14,651.47</b>	<b>20,840.61</b>

### 43. Related Party Disclosures

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

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

Related parties where control exist / with whom transactions have taken place during the year		
Key management personnel	Mrs. Nandini Nopany	- Chairperson / Non-Executive Director
	Mr. Chandra Shekhar Nopany	- Co-Chairperson / Non-Executive Director (upto 13 March 2020)
	Mrs. Urvi Mittal	- Independent / Non-Executive Director (w.e.f. 23 March 2020)
	Mrs. Shruti Vora	- Non-Executive Director of a subsidiary of the Company
	Mr. Dilip Patodia	- Non-Executive Director of a subsidiary of the Company
	Mr. Sunil Choraria	- Non-Executive Director of a subsidiary of the Company (Upto 29 May 2020)
	Mr. Chandra Kumar Vyas	- Manager of a Subsidiary of the Company (w.e.f 23 March 2020)
	Mr. Arun Kumar Newar	- Independent / Non-Executive Director
	Mr. Dhiraj Ramkant Banka	- Independent / Non-Executive Director
	Mr. Chhedi Lal Agarwal	- Independent / Non-Executive Director (w.e.f. 13 May 2019)
	Mr. Santosh Kumar Poddar	- Managing Director
	Mr. Vikash Goyal	- Chief Financial Officer
	Ms. Vijaya Agarwala	- Company Secretary
	Ms. Kanika Sonthalia	- Company Secretary of a subsidiary of the Company (w.e.f. 23 March 2020)
	Mr. Rajes Gupta	- Chief Financial Officer of a subsidiary of the Company

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

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

#### a. Director's sitting fees

(₹ in lakhs)

	Year ended 31 March	Director's sitting fees	Amount owed to related parties
Mrs. Nandini Nopany	2021	0.45	-
	2020	0.33	-
Mr. Chandra Shekhar Nopany	2021	-	-
	2020	0.25	-
Mrs. Urvi Mittal	2021	0.25	-
	2020	-	-
Mrs. Shruti Vora	2021	0.15	-
	2020	0.05	-
Mr. Dilip Patodia	2021	0.30	-
	2020	0.40	-
Mr. Arun Kumar Newar	2021	0.80	-
	2020	0.70	-
Mr. Dhiraj Ramkant Banka	2021	0.25	-
	2020	0.17	-
Mr. Chhedi Lal Agarwal	2021	0.50	-
	2020	0.38	-

#### b. Remuneration to key managerial personnel

##### (i) Short term employee benefits

(₹ in lakhs)

	Year ended 31 March	Transaction during the year	Amount owed to related parties
Mr. Santosh Kumar Poddar	2021	56.54	3.10
	2020	56.54	3.10
Ms. Kanika Sonthalia	2021	1.80	-
	2020	-	-
Mr. Rajes Gupta	2021	6.63	0.78
	2020	6.24	0.35

##### (ii) Post employment benefits

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for CTL as a whole.

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

- The Company and its subsidiaries other than being registered non-banking financial company have neither given any loan nor has advanced any amount either during the year ended 31 March 2021 or year ended 31 March 2020.
- Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note 8.

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

- The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- No guarantees have been given or received.
- For the year ended 31 March 2021, the Group has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

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

(iv) The sitting fees of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

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

#### A. Accounting classification and fair values

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

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
<b>As at 31 March 2021</b>					
<b>Financial assets</b>					
Investment - Quoted	-	23,772.87	-	23,772.87	23,772.87
Investment - Unquoted	-	1,875.97	-	1,875.97	1,875.97
Cash and cash equivalents	-	-	1,333.42	1,333.42	1,333.42
Bank Balances other than Cash and Cash equivalents	-	-	2,763.43	2,763.43	2,763.43
Receivables	-	-	58.92	58.92	58.92
Loans	-	-	2,700.00	2,700.00	2,700.00
Other financial assets	-	-	366.77	366.77	366.77
	-	<b>25,648.84</b>	<b>7,222.54</b>	<b>32,871.38</b>	<b>32,871.38</b>
<b>Financial liabilities</b>					
Trade payables	-	-	61.47	61.47	61.47
Subordinated liabilities	-	-	247.12	247.12	247.12
Other financial liabilities	-	-	265.96	265.96	265.96
	-	-	<b>574.55</b>	<b>574.55</b>	<b>574.55</b>
<b>As at 31 March 2020</b>					
<b>Financial assets</b>					
Investment - Quoted	-	11,771.71	-	11,771.71	11,771.71
Investment - Unquoted	-	1,775.02	-	1,775.02	1,775.02
Cash and cash equivalents	-	-	1,080.88	1,080.88	1,080.88
Bank Balances other than Cash and Cash equivalents	-	-	2,011.49	2,011.49	2,011.49
Receivables	-	-	157.47	157.47	157.47
Loans	-	-	2,700.00	2,700.00	2,700.00
Other financial assets	-	-	500.23	500.23	500.23
	-	<b>13,546.73</b>	<b>6,450.07</b>	<b>19,996.80</b>	<b>19,996.80</b>
<b>Financial liabilities</b>					
Trade payables	-	-	89.68	89.68	89.68
Subordinated liabilities	-	-	258.47	258.47	258.47
Other financial liabilities	-	-	256.37	256.37	256.37
	-	-	<b>604.52</b>	<b>604.52</b>	<b>604.52</b>

The management assessed that cash and cash equivalent, receivables and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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

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

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

### B. Measurement of fair values

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

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

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

Particulars	Note	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2021</b>					
Investment - Quoted	8	23,772.87	-	-	23,772.87
Investment - Unquoted	8	-	-	1,875.97	1,875.97
<b>As at 31 March 2020</b>					
Investment - Quoted	8	11,771.71	-	-	11,771.71
Investment - Unquoted	8	-	-	1,775.02	1,775.02

### C. Financial risk management

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

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

#### Risk management framework

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

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

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

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

#### (i) Credit risk

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

#### Receivables

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

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

### Exposure to credit risks

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

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

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Corporate bodies in relation to rental income	-	23.27
Others	58.92	134.20
	<b>58.92</b>	<b>157.47</b>

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

### Ageing of receivables are as under:

(₹ in lakhs)

Particulars	Not yet due	Less than 60 days	61- 180 days	181-365 days	More than 1 year	Total
As at 31 March 2021	-		58.92			58.92
As at 31 March 2020	-	-	134.20	-	23.27	157.47

During the period, the Group has made no write-offs of receivables. The Group's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

### (ii) Liquidity risk

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

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

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

### Exposure to liquidity risks

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
<b>As at 31 March 2021</b>						
Trade Payables	61.47	61.47	61.47	-	-	-
Subordinated Liabilities*	247.12	444.00	-	-	-	444.00
Other financial liabilities	265.96	265.96	232.11	33.85	-	-
	<b>574.55</b>	<b>771.43</b>	<b>293.58</b>	<b>33.85</b>	-	<b>444.00</b>
<b>As at 31 March 2020</b>						
Trade Payables	89.68	89.68	89.68	-	-	-
Subordinated Liabilities*	258.47	262.66	-	-	262.66	-
Other financial liabilities	256.37	256.37	256.37	-	-	-
	<b>604.52</b>	<b>608.71</b>	<b>346.05</b>	-	<b>262.66</b>	-

\* including estimated dividend as finance cost.

### (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and payables.

### Foreign currency risks

All transactions of the Group are in Indian currency, consequently Group is not exposed to foreign currency risk. The Group has no outstanding foreign currency exposure or related derivative contract.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risks

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Fixed rate instruments</b>		
Financial assets	6,614.49	5,446.72
Financial liabilities	247.12	258.47
<b>Variable rate instruments</b>		
Financial assets	-	-
<b>Financial liabilities</b>	-	-



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

### Cash flow sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

### Equity risk

The Group's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

### Sensitivity analysis

Investment in equity instruments (Quoted) of the Group are listed on the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Group's equity and profit for the period. The analysis is based on the assumption that the BSE had increased / decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

(₹ in lakhs)

Particulars	Profit or loss		Equity, net of tax	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
BSE - increase by 10%	2,377.29	1,177.17	2,105.33	1,042.50
BSE - decrease by 10%	(2,377.29)	(1,177.17)	(2,105.33)	(1,042.50)

### Regulatory risk

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

## 45. Capital management

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

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

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

### 46. Statutory Group Information

Name of the entity in the Group	Net Assets i.e. Total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
Parent:								
Ganges Securities Limited								
As at / for the year ended 31 March 2021	6.25%	2,111.77	1.26%	12.45	7.35%	879.15	6.89%	891.60
As at / for the year ended 31 March 2020	3.66%	762.05	1.85%	13.18	3.67%	(413.17)	3.79%	(399.99)
Subsidiaries (Indian):								
Uttar Pradesh Trading Company Limited								
As at / for the year ended 31 March 2021	80.94%	27,339.25	41.48%	406.23	92.55%	11,066.84	88.68%	11,473.07
As at / for the year ended 31 March 2020	77.70%	16,193.43	69.41%	495.66	96.05%	(10,814.80)	97.86%	(10,319.14)
Cinnatollah Tea Limited								
As at / for the year ended 31 March 2021	12.81%	4,326.99	57.25%	560.74	0.10%	11.99	4.43%	572.73
As at / for the year ended 31 March 2020	18.64%	3,885.13	28.74%	205.25	0.28%	(31.19)	-1.65%	174.06
Total								
As at / for the year ended 31 March 2021	100.00%	33,778.01	99.99%	979.42	100.00%	11,957.98	100.00%	12,937.40
As at / for the year ended 31 March 2020	100.00%	20,840.61	100.00%	714.09	100.00%	(11,259.16)	100.00%	(10,545.07)

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

As per our report of even date

For **Agarwal Subodh & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 319260E

**Chetan Kumar Nathani**

Partner

Membership No.: 310904

Place: Kolkata

Date: 10 May 2021

For and on behalf of the Board of Directors

**Santosh Kumar Poddar**

Director

DIN: 00055786

**Vijaya Agarwala**

Company Secretary

**Urvi Mittal**

Managing Director

DIN: 02780842

**Vikash Goyal**

Chief Financial Officer

*If undelivered, please return to*



**GANGES SECURITIES LIMITED**

**CIN: L74120UP2015PLC069869**

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