

PALI COMMERCIAL COMPANY LIMITED

32, EZRA STREET,
KOLKATA - 700 001

Audited
Balance Sheet
&
Statement of Profit & Loss
For the year ended on 31st March, 2022

AUDITORS
UTTAM AGARWAL & ASSOCIATES
Chartered Accountants

72, Cotton Street, 2nd floor,
Kolkata - 700 007

Tel.: (033) 2559 6032

Pali Commercial Company Limited

32, EZRA STREET, ROOM NO.-755, 7TH FLOOR, KOLKATA - 700 001,
CIN : L51909WB1981PLC034414 E.mail : pali@khaitanwire.com
Website : www.palcommercial.com

DIRECTOR'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the 41st Annual Report together with the Audited Statement of Accounts of PALI COMMERCIAL COMPANY LIMITED for the year ended March 31, 2022.

FINANCIAL PERFORMANCE

Particulars	Standalone		Consolidated	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	2021-22	2020-21	2021-22	2020-21
Profit/(Loss) Before Tax	4,532.53	3,564.90	4,530.97	3,563.24
Less: Provision for Tax	710.52	595.39	710.51	595.39
(Add)/Less: Deferred Tax	(9.77)	13.97	(9.77)	13.97
Less: I Tax adjustment for earlier years	-	-	-	-
Profit/(Loss) After Tax	3,831.78	2,955.54	3,830.23	2,953.88
Add: Balance in Profit & Loss Account	13,319.30	10,954.87	13,304.46	10,941.36
Less: Appropriation				
Trf to Other Reserve as per RBI Act, 1934	766.36	591.11	766.05	590.78
Closing Balance	16,384.72	13,319.30	16,368.64	13,304.46

RESULTS OF OPERATION AND THE STATE OF COMPANY'S AFFAIRS

The highlights of the Company's performance are as under:

- > The company has earned a profit of Rs. 38,31,780/- during the current year (P.Y. Profit 29,55,540/-)
- > The company has not made significant capital expenditure during the current year.

The Directors are hopeful for better performance in the future.

The company continues to maintain liquidity during the current financial year. The company maintains sufficient cash to meet the short term requirements.

DIVIDEND

The Directors do not recommend any dividend during the year.

NUMBER OF MEETINGS OF THE BOARD

During the Financial year 2021-22, 4 (Four) number Board meetings were held, details of which are given below:

Date of the Meeting	Strength of Board of Directors	No. of Directors attended the meeting
30-04-2021	3	3
30-07-2021	3	3
29-10-2021	3	3
28-01-2022	3	3

SUBSIDIARY COMPANY/ JOINT VENTURES/ ASSOCIATE COMPANIES

As on March 31, 2022, the Company has one Associate Company named M/s. KWW Electricals Pvt. Ltd. (AOC 1 part of financial statement).

SHARE CAPITAL/ FINANCE

During the year, the Company has not allotted any shares.

As on 31st March, 2022, the issued, subscribed and paid up share capital of your Company stood at Rs. 99,00,000/- comprising of 9,90,000 Equity shares of Rs.10/- each.

ANNUAL RETURN

In accordance with Section 92 (3) read with Rule 12 of the Companies (Management and Administration) Rules 2014 (as amended) a copy of the Annual Return of the Company is hosted on its website and can be accessed at <https://www.palicommercial.com/>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

M/S Uttam Agarwal & Associates , Chartered Accountants, (FRN- 322455E) had been appointed as statutory auditors of the company at the 36th Annual General Meeting held on 17th July,2017 to hold office from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting, on such remuneration as maybe fixed by the board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

In the ensuing Annual General Meeting, Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountant, FRN:310041E is appointed as Statutory Auditor of the company for a term of five years starting from the conclusion of this Annual General Meeting until the conclusion of 46th Annual General Meeting of the shareholders of company to be held for the financial year 2026-27.

There are no observations (including any qualification, reservation, adverse remarks or disclaimer) of the Auditors in the Audit Report that may call for any explanation from the Directors. The specific notes forming part of the accounts referred to in the Audit Report are self explanatory and give complete information.

SECRETARIAL AUDIT

The Board has appointed CS Shruti Agarwal (M. No. 38797, CP. No.14602), Practising Company Secretary, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith marked as Annexure II to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made is provided in the financial statement (Please refer note 4 to the financial statements).

RISK MANAGEMENT

During the year, the Directors have developed and implemented a Risk Management Policy for the Company for the purpose of identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Suresh Kumar Murarka (DIN 02130810) retires by rotation and offers himself being eligible for reappointment as per Section 156 (6) and (7) of the Companies Act 2013

DEPOSITS

Your Company has not accepted any deposits from public in terms of Section 76(1) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

There was no employee whose remuneration was in excess of the limits prescribed under section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of rules The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during under review:

- (i) Details relating to deposits covered under chapter V of the Act.
- (ii) Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (iv) No significant or material orders were passed by Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Director further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institution, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service rendered by the Company's executives, staff and workers.

For and on behalf of the Board,
Pali Commercial Company Limited


Vinita Khaitan
Director
(DIN: 07168477)


Suresh Kumar Murarka
Director
(DIN: 02130810)

Date: 30th day of May, 2022
Place: Kolkata

Form AOC-1

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

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

Part "A": Subsidiaries

Not Applicable

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	KWW Electricals Pvt Ltd
1. Latest audited Balance Sheet Date	31/03/2022
2. Shares of Associate/Joint Ventures held by the company on the year end	42.37%
No.	55000
Amount of Investment in Associates/Joint Venture	220000
Extend of Holding%	42.37%
3. Description of how there is significant influence	Associate (holding more than 20%)
4. Reason why the associate/joint venture is not consolidated	N.A
5. Net worth attributable to shareholding as per latest audited Balance Sheet	18,01,466
6. Profit/Loss for the year	-3665
i. Considered in Consolidation	-1553
ii. Not Considered in Consolidation	-2112

For Uttam Agarwal & Associates

Chartered Accountants

FRN :322455E

Gaurav Agarwal

Gaurav Agarwal

Partner

Membership No 307455

UDIN : 22307455AKMTEC3903

Date : 30th Day of May 2022

Place : Kolkata



For and on Behalf of Board

VINITA KHAITAN
(DIN 07168477)

SURESH KUMAR MURARKA
(DIN 02130810)



SHRUTI AGARWAL
PRACTISING COMPANY SECRETARY
MOBILE : + 91 - 9330826989
EMAIL ID : cs.agarwalshruti@gmail.com

ANNEXURE II TO THE DIRECTORS' REPORT

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

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Pali Commercial Co Ltd
32 Ezra Street 7th Floor, Room no 755
Kolkata - 700 001
West Bengal

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Pali Commercial Co Ltd (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period);
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based



- Employee Benefits) Regulations, 2014 notified on 28 October 2014; (Not applicable to the Company during the Audit Period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

Place: Kolkata
Date: 07.06.2022

(SHRUTI AGARWAL)
Practicing Company Secretary
C.P. No-14602
Membership No-38797



UDIN: A038797D000472989



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PALI COMMERCIAL COMPANY LTD

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **PALI COMMERCIAL COMPANY LIMITED** ("the company") which comprise the Balance Sheet as at March 31 2022, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Statement of Changes in Equity and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of 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 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 (ICAI) 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 opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

"We have determined that there are no key audit matters to communicate in our report"

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company'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.

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



Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an Audit in accordance with SA's, We exercise professional judgement and maintain professional skepticism throughout the Audit. We also :

Identify and assess the risk of material misstatement of the Financial Statements, whether due to fraud or error, design and perform, audit procedures responsive to those risk, 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 omission, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audits in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place 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 Companies ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosure in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained upto the date of our Auditors 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 financial statements, including the disclosures, and whether the financial statements represent the underline transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our Audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 significance deficiency 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors report unless law or regulations 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 for 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(3) of the Act, we report that:
 - a) we have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- 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 Reports in "Annexure B". 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 Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provisions 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact 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 amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) a) The Management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies) including foreign entities ("Funding Parties") with the understanding whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries; and
 - c) Based on such audit procedure that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representation under sub clauses (a) and (b) contain any material mis-statement.

UDIN : 22307455AKMTEC3903
 Place : Kolkata
 Dated : 30th Day of May 2022

For **UTTAM AGARWAL & ASSOCIATES**
 Chartered Accountants
 Firm Reg. No.322455E



Gaurav Agarwal
Gaurav Agarwal
 (Partner)
 Membership No.307455

Annexure- A

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the "Report on other Legal and Regulatory requirements" our report to the members of **PALI COMMERCIAL COMPANY LTD** ('the Company') on the financial statement for the year ended 31st March, 2022, we report that :

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) (A)The company does not have any property,plant and equipments as on Balance Sheet date. Hence, this clause is not applicable to the company.
(B) The Company did not have any Intangible assets at any time during the Year.
- (ii) (a) The inventories consist of equity shares which are in dematerialised form have been verified during the year at reasonable intervals by the management from demat statement. As informed, no material discrepancies were noticed on such verification.
(b) The Company has not been sanctioned any working capital limit during the year.
- (iii) The Company has made investments in Companies, firms, Limited Liability Partnerships but have not granted unsecured loans to other parties, during the year, in respect of which
a) In our opinion, the Investments made by the Company are not prima facie prejudicial to the interest of the Company.
The Company has not provided any guarantee or security to companies, firms, limited liability partnerships or any other parties.
- (iv) According to the information and explanation given to us, during the year the Company has not given loans covered by provisions of section 185 of the Act. The Company is a non-banking financial company and the Company has complied with the provisions of sub section (1) of section 186 of the Act as applicable to it.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods & Services Tax, Sales Tax , Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other material statutory dues applicable to it.
On the basis of the records of the Company and the information and explanations given to us, there was no arrears of statutory dues as on the last day of the financial year concerned outstanding for a period of more than six months from the date, they became payable.
(b) According to the information and explanations given to us, there were no disputed dues payable in respect of Income Tax, Goods & Services Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax and Cess as at 31st March, 2022.



- (viii) According to the information and explanations given to us, there were no such transactions which have not been recorded in the books of account and which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- (ix) a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
According to information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- b) The Company has not taken any term loans. Therefore this clause is not applicable to the Company
- c) The Company has not raised any fund during the year. Therefore, this clause is not applicable to the Company.
- d) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- e) The Company has not raised any loans during the year on pledge of securities held in subsidiaries, joint ventures and associate companies.
- (x) a) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loan during the year. Accordingly, clause (x)(a) of paragraph 3 of the aforesaid Order is not applicable to the Company
- b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debenture during the year.
- (xi) a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- b) There is no report under sub section 12 of section 143 of the Companies act has which has been filed by the auditors in Form ADT -4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information's and explanations given to us, there are no whistle blower complaints received by the Company during the year
- (xii) The Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the aforesaid Order is not applicable to the Company.
- (xiii) On the basis of our examination of the books of account of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of the Act and the same has been disclosed in the notes to the financial statements as required by the applicable Accounting Standards.
- (xiv) a) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company does not have internal audit system commensurate with the size and nature of its business:
- xv) In our opinion, the Company has not entered into any non-cash transactions with directors or person connected with him.
- xvi) a) The Company is required register under section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained Certificate of Registration (CoR) from the Reserve Bank of India and the Certificate No. is B-05.02176 dated 14th May, 1998.
- b) The Company is registered as Non-banking Financial Company and conducted business of non-banking financial company.
- c) The Company is registered as Non banking Financial Company and is not a Core Investments Company (CIC).
- d) According to the information and explanations given to us the Group does not have any CIC.
- xvii) The Company has not incurred cash losses in in the financial year and in the immediately preceding financial year,.
- xviii) There has not been any resignation by the statutory auditors of the Company during the year.



- xix) On the basis of our examination of the records of the Company, financial ratios, ageing, and expected dates of financial assets and liabilities and other information accompanying financial statement, the auditors knowledge of Board of Directors and management plans and according to the information and explanations given to us, there are no material uncertainty exist on the date of audit report that the company is capable of meeting its liabilities existing on the date of balance sheet and as and when they fall due within a period of one year from the balance sheet date.
- (xx) a) On the basis of our examination of the records of the Company and according to the information and explanations given to us, The Company does not come under the ambit of Section of 135 of Companies Act 2013 accordingly this clause is no applicable.
- b) On the basis of our examination of the records of the Company and according to the information and explanations given to us, The Company does not come under the ambit of Section of 135 of Companies Act 2013 accordingly this clause is no applicable.
- xxi) On the basis of our examination of the records of the Company and according to the information and explanations given to us, there has not been any qualification or adverse remarks by the respective auditors in the Companies Audit Report Order (CARO) reports of the Companies included in the consolidated financial statement.

UDIN : 22307455AKMTEC3903

Place : Kolkata

Dated :30th Day of May 2022

For UTTAM AGARWAL & ASSOCIATES

Chartered Accountants

Firm Reg. No.322455E



Gaurav Agarwal

Gaurav Agarwal

(Partner)

Membership No.307455

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, 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 the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Controls over Financial Reporting

Because of inherent limitations of internal 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 financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31st March 2022, based on the internal financial 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.

UDIN: 22307455AKMTEC3903
Place : Kolkata
Dated :30th Day of May 2022



For UTTAM AGARWAL & ASSOCIATES

Chartered Accountants

Firm Reg. No.322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No.307455

Annexure-B

Report on the Internal Financial Controls under clause (i) of sub-section 3 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **PALI COMMERCIAL COMPANY LIMITED** ("the company") as of 31st March, 2022 in conjunction with our audit of 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 the 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, issued by ICAI and deemed to be prescribed under the 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 were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion on the Company's internal financial control system over financial reporting.





AUDITORS' REPORT

TO
THE BOARD OF DIRECTORS
M/S PALI COMMERCIAL COMPANY LIMITED

As required under Non Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016 and on the basis of information and explanation given to us, we report that:

- 1 The Company is engaged in the business of Non- Banking Financial Institution as defined in section 45-IA of the RBI Act. It has obtained Certificate of Registration (CoR) from Reserve Bank of India and the Certificate No. is B-05.02176 dated 14th May, 1998.
- 2 The Financial asset/income pattern of the Company as on 31st March, 2022 is as follows:

% of Financial Assets to Total Assets:	96.91%
% of Financial Income to Total Income:	57.84%

In view of the above ratios, the Company is entitled to continue to hold Certificate of Registration issued by the Reserve Bank of India as on 31st March, 2022.
- 3 The Company is meeting the required net owned fund requirement as laid down in Master Direction -Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- 4 The Board of Directors of the Company has passed a resolution at its meeting held on 30th June, 2021 for not accepting any public deposit.
- 5 The Company has not accepted any public deposit during the year.
- 6 The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- 7 The Company has become a Systemically Important Non-Deposit taking Non-Banking Financial Company(NBFC-ND-SI) based on the Audited Financial Statement as at 31st March, 2022, hence para (iv)(a) and (iv)(b) of these directions are not applicable to the Company. As informed by the management, applicable returns for Systemically Important Non-Banking Financial Company will be filed in current financial year.
- 8 The Company has not been classified as NBFC Micro Finance Institution (MFI) as defined in the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

FOR UTTAM AGARWAL & ASSOCIATES

Chartered Accountants.

FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455E

UDIN: 22307455AKMTEC3903

72, Cotton Street, Kolkata - 700 001

Dated :30th Day of May 2022



PALI COMMERCIAL COMPANY LIMITED

Balance Sheet as at 31st March, 2022

(Amount In Rs.)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	2	643,832	567,425
(b) Bank Balance other than (a) above	3	387,054	363,119
(c) Investments	4	60,500,371	44,914,857
2 Non -financial Assets			
(a) Inventories	5	85,452	85,452
(b) Current tax assets	6	1,763,086	384,519
(c) Deferred tax assets	7	94,115	84,341
(d) Other non financial assets	8	14,370	13,000
TOTAL ASSETS		63,488,280	46,412,713
EQUITY AND LIABILITIES			
LIABILITIES			
1 Financial Liabilities			
(a) Borrowings	9	9,702,253	3,652,811
2 Non - financial Liabilities			
(a) Current tax liability	10	1,296,210	595,390
(b) Provisions	11	361,327	323,653
(c) Other non financial liability	12	332,103	759,468
TOTAL LIABILITIES		11,691,893	5,331,322
EQUITY			
(a) Equity share capital	13	9,900,000	9,900,000
(b) Other equity	14	41,896,387	31,181,391
TOTAL EQUITY		51,796,387	41,081,391
TOTAL LIABILITIES & EQUITY		63,488,280	46,412,713

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON FINANCIAL STATEMENTS

1 to 35

As per our report of even date

For and on Behalf of Board

For **UTTAM AGARWAL & ASSOCIATES**
Chartered Accountants.
FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455
UDIN : 22307455AKMTEC3903
72, Cotton Street, Kolkata - 700 007
Date : 30th day of May 2022



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED

Statement of Profit and loss for the year ended 31.03.2022

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<u>INCOME :</u>			
Revenue from operation			
Interest Income	15	362,030	22,806
Dividend Income		1,327,752	533,848
Net gain on sale of Investments		3,518,275	2,553,054
Total Revenue from operations		5,208,057	3,109,708
Other income	16	3,795,000	3,760,023
Total Income		9,003,057	6,869,731
<u>EXPENSES :</u>			
Finance cost	17	1,000,759	474,775
Change in inventory	18	-	-
Employee benefits expense	19	2,782,781	2,416,042
Other expenses	20	686,992	414,013
Total Expenses		4,470,532	3,304,830
Profit before exceptional items and tax		4,532,525	3,564,901
Exceptional items		-	-
Profit before and tax		4,532,525	3,564,901
Tax expenses:	21		
(1) Current tax		710,520	595,390
(2) Income tax adjustment		-	-
(3) Deferred tax adjustment		-9,773	13,975
Profit for the year		3,831,778	2,955,536
Other Comprehensive Income:			
A(i) Items that will not be reclassified to profit and loss account			
Fair value gain on Equity instrument through other comprehensive income		6,883,219	15,653,620
Tax Effect on above		-	-
Other Comprehensive Income for the year, net of tax		6,883,219	15,653,620
Total comprehensive income for the year		10,714,997	18,609,156
Earnings per equity share:			
(1) Basic	22	3.87	2.99
(2) Diluted		3.87	2.99

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON FINANCIAL STATEMENTS

1 to 35

As per our report of even date attached.

For and on Behalf of Board

For **UTTAM AGARWAL & ASSOCIATES**

Chartered Accountants.

FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455
UDIN : 22307455AKMTEC3903
72, Cotton Street, Kolkata - 700 007
Date : 30th day of May 2022



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED

Statement of changes in equity for the year ended 31.03.2022

A. Equity share capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes un Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year 2021-	Balance at the end of the current reporting period
9,900,000	-	9,900,000	-	9,900,000

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes un Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the year 2020-21	Balance at the end of the previous reporting period
9,900,000	-	9,900,000	-	9,900,000

B. Other Equity

	Reserve & Surplus			Equity Instrument though Other Comprehensive Income	Total
	General Reserve	Other reserve(RBI)	Retained Earnings		
Balance as on 1st April 2020	33,000	3,180,724	10,954,868	-1,596,357	12,572,235
Changes in accounting policy or prior period erros	-	-	-	-	-
Restated balance at the beginning of the current reporting period	33,000	3,180,724	10,954,868	-1,596,357	12,572,235
Total comprehensive Income for the Year	-	-	2,955,536	15,653,620	18,609,156
Transfer to RBI reserve	-	591,107	-591,107	-	-
Balance as on 31st March 2021	33,000	3,771,831	13,319,297	14,057,263	31,181,391
Balance as on 1st April 2021	33,000	3,771,831	13,319,297	14,057,263	31,181,391
Changes in accounting policy or prior period erros	-	-	-	-	-
Restated balance at the beginning of the current reporting period	33,000	3,771,831	13,319,297	14,057,263	31,181,391
Total comprehensive Income for the Year	-	-	3,831,778.12	6,883,219	10,714,997
Transfer to RBI reserve	-	766,356	-766,356	-	-
Balance as on 31st March 2022	33,000	4,538,187	16,384,719	20,940,481	41,896,387

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 35

As per our report of even date attached.

For and on Behalf of Board

For UTTAM AGARWAL & ASSOCIATES

Chartered Accountants.

FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455

UDIN : 22307455AKMTEC3903

72, Cotton Street, Kolkata - 700 007

Date : 30th day of May 2022



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2022

PARTICULARS	As at 31st March, 2022		As at 31st March, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		4,532,525		3,564,901
ADJUSTMENT FOR				
Provision for gratuity	37,673		8,653	
(Profit)/ Loss on sale of Investment	(3,518,275)		(2,553,054)	
Dividend Received	(1,327,752)		(533,848)	
Interest on IT refund	(5,402)	(4,813,756)	-	(3,078,249)
		(281,231)		486,652
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
ADJUSTED FOR:				
Provisions	-		(62,308)	
Other Current Assets	(1,370)		245,100	
Other current liabilities	(427,365)	(428,735)	(779,246)	(596,454)
CASH GENERATED FROM OPERATIONS		(709,965)		(109,802)
NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES PAID		(709,965)		(109,802)
Taxes Paid During The Year	1,471,263		179,933	-
Income tax refund	(88,400)	1,382,863	-	179,933
NET CASH FROM OPERATING ACTIVITIES (A)		(2,092,828)		(289,735)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition on Non-current investment	(24,211,235)		(15,575,694)	
Sale of Non-current investment	19,027,212		13,604,911	
Dividend received	1,327,752	(3,856,271)	533,848	(1,436,935)
NET CASH USED IN INVESTING ACTIVITIES (B)		(3,856,271)		(1,436,935)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of loans	-		-	
Proceeds from Short Term Borrowings	6,049,442	6,049,442	2,144,917	2,144,917
NET CASH USED IN FINANCING ACTIVITIES (C)		6,049,442		2,144,917
D. NET (DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)		100,342		418,247
NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AS AT 1-04-2020(01-04-2019)		930,544		512,297
LESS: CASH AND CASH EQUIVALENTS AS AT 31-03-2021 (31-03-2020)		1,030,886		930,544
		100,342		418,247

Note:-

i) Figures in brackets represents cash outflow from respective activities.

ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standard) Rules, 2006.

iii) Previous year figures have been regrouped/rearranged wherever found necessary to make them comparable with those of the current year.

The Schedules referred to above form an integral Part of the Balance Sheet referred to in our report of even date.

For **UTTAM AGARWAL & ASSOCIATES**
Chartered Accountants.
FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455
UDIN : 22307455AKMTEC3903
72, Cotton Street, Kolkata - 700 007
Date : 30th day of May 2022



For and on Behalf of Board

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 1: Company Overview

Pali Commercial Company Limited ("the Company") is a Calcutta Stock Exchange listed company domiciled in India having its registered office at 32 Ezra Street 7th Floor Room no 755, Kolkata 700001. The company was incorporated on December 29th, 1981 under the provision of the Companies Act, 1956. The company is engaged in Non Banking Financial activities.

Note 2: Summary of Significant Accounting Policies

A. Basis of preparation of financial statements

(i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind-AS") under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act'). The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of measurement

The financial statements have been prepared on historical cost basis except the following:

- certain financial assets and liabilities are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period and cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- (iv) The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees and all values are rounded to the nearest rupees, except when otherwise stated.

B. Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note C below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

C. Critical accounting estimates

(i) Income taxes

The Company's major tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

(ii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

D. Property, Plant and Equipment

Land (including Land Developments) is carried at historical cost. All other items of property, plant and equipment are stated in the balance sheet at cost historical less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and land developments) less their residual values over the useful lives, using the straight- line method ("SLM"). Management believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Estimated useful lives
Buildings	30 years
Computers and Printers, including Computer Peripherals (including server and networking)	3 -6 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Motor Vehicles (including busses and trucks)	8-20 years
Plant and Machinery	15-20 years

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is de recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

E. Investment properties

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

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

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de recognised 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 of the asset is recognised in profit or loss in the period of de recognition.

F. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments are further divided in two parts viz. Financial Assets and Financial Liabilities.

Part I - Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Financial Assets at amortised cost:

A Financial Assets is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at FVTOCI (Fair Value through Other Comprehensive Income)

A Financial Assets is classified as at the FVTOCI if following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Assets at FVTPL (Fair Value through Profit or Loss)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any financial instrument as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance;
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company uses the remaining contractual term of the financial instrument; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Company estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is grouped under the head 'other expenses'. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Part II - Financial Liabilities

a) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss is designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities under borrowings. The dividends on these preference shares, if any are recognised in the profit or loss as finance cost.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

c) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

G. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

H. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

I. Recognition of Revenue

Revenue from services is recognised on accrual basis and when the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration.

Revenue is measured at the fair value of the consideration received or receivable. The amount recognised as revenue is exclusive of Service Tax, Goods and Service Tax and Value Added Taxes (VAT), and is net of discounts.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

J. Other Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

K. Provisions and Contingent Liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

L. Accounting for Taxation of Income

(i) Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

(ii) Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

M. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

N. Earnings Per Share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

O. 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 from the date of acquisition, which are subject to an insignificant risk of changes in value.



PALI COMMERCIAL COMPANY LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 2

<u>Cash and Cash Equivalents</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
a. Cash on hand	96,847	106,924
b. Balances with scheduled banks in current accounts	546,985	460,501
Total	643,832	567,425

NOTE 3

<u>Other Bank Balances</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
Fixed Deposits with maturity period of more than 12 month.	387,054	363,119
Total	387,054	363,119

NOTE 4

<u>Investments</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
<u>Measured at fair value through other comprehensive income</u> <u>In Equity Shares, Quoted Shares</u> As per annexure 4.1	58,830,371	43,244,857
<u>Measured at amortised cost</u> <u>In Equity Shares, Unquoted Shares</u> <u>Investment in Associates</u> <u>KWW Electricals Pvt Ltd</u> 55000 (55000) Equity Shares of Rs 10/- each fully paid up	220,000	220,000
<u>Investment in Other Unquoted Equity</u> <u>Khaitan Winding Wire Private Limited</u> 29000 (29000) Equity Shares of Rs.10/- each fully paid up	1,450,000	1,450,000
Total	60,500,371	44,914,857



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 4.1

(Amount In Thousand)

Non-Current Investments	Face Value	No of Shares	As at 31st March,2022	No of Shares	As at 31st March,2021
Measured at fair value through other comprehensive income					
Quoted equity shares					
Aarti Industries Limited	5	1,000	13.07	1,000	13.07
Aarti Drugs Limited	10	397	315.71	400	325.47
Aarti Surfactants Ltd	10	49	-	49	-
Abbot India Limited	10	-	-	20	340.98
Akzo Nobel India Ltd	10	250	552.22	250	552.22
Andhra Sugar Ltd	2	5,000	578.20	-	-
Avadh Sugar & Industries Ltd	10	1,000	617.71	-	-
Asahi Songwon Colors Limited	10	1,000	126.21	1,000	126.21
Automotive Axles Limited	10	-	-	400	497.91
Axis Bank Ltd	2	250	81.54	250	81.54
Bank of Baroda	2	-	-	3,000	236.96
Bajaj Finance Ltd	2	100	712.65	-	-
Bells Controls Limited.	10	10	0.10	10	0.10
Berger Paints Limited	1	1,000	266.98	1,000	266.98
Edayar Zinc Ltd (Binani Zinc)	10	115	-	115	-
Bharat Petroleum Corporation Limited	10	1,000	521.96	1,300	521.96
Bharti Airtel Ltd	5	1,000	564.09	1,000	564.09
Bhansali Engg Polymer Ltd	1	-	-	4,000	426.68
BPL Engineering Limited.	10	1,500	6.69	1,500	6.69
Canfin Homes Finance Limited	2	1,750	242.92	1,750	242.92
CESC LTD	1	10,000	754.69	-	-
Canara Bank	10	2,000	459.22	-	-
CDSL LTD	10	70	16.74	70	16.74
Chennai Petroleum Corporation Limited	10	-	-	8,000	1,465.59
Carborundum Universal Limited	1	400	42.65	400	42.65
Care Ratings Ltd	10	450	188.07	1,100	459.73
Core HealthCare Limited	10	2,299	34.49	2,299	34.49
Deepak Fertilisers & Chemicals	10	1,000	455.62	-	-
DCM Shriram LTD	2	500	533.73	-	-
Elantas Beck India Ltd	10	150	563.63	-	-
Exide Industries Ltd	1	3,000	550.85	-	-
FDC Ltd	1	500	114.81	1,347	309.49
GIC Housing Finance Limited	10	-	-	2,000	589.56
Godfry Philips Ltd	2	300	417.04	300	417.04
GSFC LTD	2	5,000	650.64	-	-
Graphite Ltd	2	1,000	444.65	-	-
Granules India Ltd	1	2,000	217.42	2,000	217.42
GNFC Limited	10	1,000	172.26	2,000	503.49
Gujarat Flourochem Ltd	1	500	209.90	1,000	419.80
Gujarat Alkalies Ltd	2	800	540.88	-	-
GRASIM Limited	2	800	825.09	800	825.09
GLAXO Pharma	10	-	-	400	565.28
HPCL	10	2,250	-	2,250	-
HDFC Bank Limited.	2	500	230.93	500	230.93
HDFC Life Insurance Ltd	1	1,000	435.87	1,000	435.87
Himmatsinghka Scide Ltd	5	-	-	4,000	563.65
Hind Copper Ltd	5	3,000	430.42	-	-
Hinduja Global solutions Limited	10	550	850.51	550	277.08
Hindalco Ltd	1	1,000	499.90	-	-
HSIL	2	1,700	248.59	4,000	584.92
Infosys Limited	5	50	23.13	50	23.13
Indian Oil Corporation Limited	10	10,012	1,479.24	7,012	1,154.89
INE Styrolution ABS (India) Limited	10	800	776.14	800	776.14
ICICI Bank Limited	2	1,300	315.92	1,300	315.92
ICICI Securities Ltd	5	450	187.56	1,000	416.80



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 4.1

(Amount In Thousand)

Non-Current Investments	Face Value	No of Shares	As at 31st March,2022	No of Shares	As at 31st March,2021
Measured at fair value through other comprehensive income					
Quoted equity shares					
ICIL LTD	2	2,000	538.71	-	-
IRCTC LTD	2	500	573.47	-	-
IG Petrochemicals Ltd	10	1,300	801.73	1,000	446.41
IPCA Laboratories Ltd	2	180	100.16	90	100.16
JSW Energy Ltd	10	1,000	253.11	-	-
Jubilant Ingrevia LTD	1	1,000	746.43	-	-
Kalyani Steels Limited	5	-	-	1,000	371.70
ITC Limited	1	3,300	735.99	3,300	735.99
Kansai Nerolac Paints Limited	1	4,000	94.56	4,000	94.56
Larsen & Toubro Limited	2	112	67.63	112	67.63
LIC Housing Finance Limited	2	250	49.03	250	49.03
Maruti Suzuki India Limited	5	75	323.97	75	323.97
Maars Software International Limited	10	54,545	104.15	54,545	104.15
MSTC LTD	10	2,000	862.80	-	-
Mangalam Cement Ltd	10	500	186.03	-	-
Matrimoney Ltd	5	500	505.83	-	-
Procter & Gamble Health ltd (Merck Limited)	10	305	227.29	305	227.29
Munjal Auto Industries Limited	2	8,000	31.60	8,000	31.60
Mannapuram Finance Limited	2	8,000	226.37	8,000	226.37
Max Financial Services Ltd	2	250	119.45	250	119.45
MTZ (India) Limited	10	900	2.24	900	2.24
Munjal Showa Limited	2	800	48.16	800	48.16
Nestle India Limited	10	55	360.76	55	360.76
National Aluminium Ltd	5	3,000	141.97	10,000	618.98
Natco Pharma Ltd	2	-	-	500	423.78
NMDC Limited.	1	1,500	133.86	7,200	840.68
Nitin Spinnner Ltd	10	1,000	196.50	-	-
NTPC LTD	10	5,000	573.89	-	-
Oberoi Realty	10	200	60.91	200	60.91
Precision Wires India Limited	5	200	11.73	200	11.73
Prestige Estates Ltd	10	1,000	404.02	-	-
PRAJ Industries Ltd	2	1,500	534.46	-	-
Prism Cements LTD	10	6,400	707.75	-	-
PRISM Johnson Limited	10	-	-	7,200	826.15
Philips Carbon Black Ltd	2	4,000	703.53	4,000	486.49
Pfizer Ltd	10	100	519.39	100	519.39
Poonawala Fincorp Ltd	2	1,500	437.78	-	-
PIDILITE Limited	1	140	125.47	140	125.47
Punjab National Bank	2	-	-	6,000	239.82
Ram Ratna Wires Limited	5	200	2.77	200	2.77
Reliance Industries Limited	10	600	250.11	600	500.22
RSWM LTD	10	2,000	680.05	-	-
Sirpur Paper Mills Limited	10	1,000	90.00	1,000	90.00
Spartek Ceramics Limited	10	7,449	63.66	7,449	63.66
SKF INDIA	10	125	499.26	-	-
SAREGAMA LTD	1	125	576.77	-	-
Sail	10	3,300	297.07	8,000	544.38
SBI	1	2,000	729.34	1,000	195.96
Tata Chemicals Ltd	10	600	525.07	-	-
Tata Motors Limited	2	2,150	279.13	3,000	389.47
Tata Metalik Ltd	10	-	-	800	512.83
Tamil Nadu Newsprint and Paper Limited	10	-	-	2,420	680.69
TCS	1	196	352.87	400	720.15



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 4.1

(Amount In Thousand)

Non-Current Investments	Face Value	No of Shares	As at 31st March,2022	No of Shares	As at 31st March,2021
Measured at fair value through other comprehensive income					
<u>Quoted equity shares</u>					
Tata Consumer Products Ltd	1	1,110	477.65	700	214.82
TISCO	10	900	904.98	1,000	584.03
Tirumalai Chemical Ltd	1	2,100	188.14	4,000	358.35
Torrent Power Limited	10	600	102.96	600	102.96
Ultratech Cement Ltd	10	100	620.87	-	-
Valiant Organic Ltd	10	400	622.18	-	-
Visaka Industries Ltd	10	770	251.15	1,500	489.25
Vindhya Telelink Ltd	10	500	440.34	500	440.34
Vedanta Limited	1	2,000	629.02	-	-
Welspun India ltd	10	-	-	6,000	460.89
VST Industries Limited	10	65	111.12	65	111.12
YES BANK LTD	2	25,000	414.05	25,000	414.05
Total Cost			37,889.89		29,188.30
Market Value as on 31st March			58,830.37		43,244.86



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 5

<u>Inventories</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
Shares and Securities :		
Investment carried at Fair Value through Profit or Loss Account (FVTPL)		
1000 Equity Shares of Cauvery Software Ltd	25,150	25,150
500 Equity Shares of CRB Corporation Ltd	925	925
500 Equity Shares of CRB Marketing Ltd	825	825
4000 Equity Shares of DSQ Software Ltd	931,431	931,431
1000 Equity Shares of Goodearth Organics Ltd	33,000	33,000
100 Equity Shares of Gujrat Optical Co Ltd	100	100
500 Equity Shares of Indo Biotech Foods Ltd	2,000	2,000
1500 Equity Shares of Motorola India Ltd	114,275	114,275
1000 Equity Shares of Marine Cargo Ltd	1,000	1,000
1000 Equity Shares of Pertech Computer Ltd	27,640	27,640
1000 Equity Shares of Sidh Global Trust Ltd	26,640	26,640
200 Equity Shares of Skyline NEPC Ltd	100	100
155 Bonus Equity Shares of Hind Engineering Ltd	-	-
492 Bonus Equity Shares of Kesoram Textile Ltd	-	-
Total Cost of Shares	1,163,086	1,163,086
Less: Diminution in value of shares (Excess of cost over market price of shares and securities)	1,077,634	1,077,634
Market price of Shares	85,452	85,452

NOTE 6

<u>Current tax assets(net)</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
TDS & Self asst tax (net of provisions)	1,681,388	302,821
Income tax paid(under appeal)	81,698	81,698
	1,763,086	384,519

NOTE 7

<u>Deferred tax assets</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
Deferred Tax Assets / (Liabilities) arising on account of timing differences in:		
Difference in tax depreciation and depreciation/amortisation for financial reporting purpose	170	191
Expense charged to P & L in current year, but allowed for tax on payment basis	93,945	84,150
Deferred Tax Assets/(Liabilities) (net)	94,115	84,341

Movement in Deferred Tax Assets/(Liabilities)

<u>Particulars</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
As at April 01, 2020	98,315	96,095
Charged/ (Credited):		
To Profit or Loss	-13,974	2,220
To Other Comprehensive Income		
As at March 31, 2021	84,341	98,315
Charged/ (Credited):		
To Profit or Loss	9,774	-13,974
To Other Comprehensive Income		
As at March 31, 2022	94,115	84,341



PALI COMMERCIAL COMPANY LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 8

<u>Other non-financial assets</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
<i>others</i>		
Advance to staff	11,370	10,000
Security deposit	3,000	3,000
Total	14,370	13,000

NOTE 9

<u>Borrowings</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
Unsecured loan, considered good Loan from related party from directors and shareholders	9,702,253	3,652,811
Total	9,702,253	3,652,811

NOTE 10

<u>Current tax liability</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
Provision for income tax	1,296,210	595,390
Total	1,296,210	595,390

NOTE 11

<u>Provisions</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
Provision for employees benefit Gratuity (Funded through Fixed Deposits with Banks)	361,327	323,653
Total	361,327	323,653

NOTE 12

<u>Other non financial liability</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
Liabilities for expense	255,817	368,744
Statutory payable		
P Tax Payable	570	550
Providend fund payable	7,456	7,455
TDS Payable	68,260	28,449
Other Liability		
Rajeev Jhunjhunwala Client A/c	-	354,270
Total	332,103	759,468



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 13

<u>Share capital</u>	As at 31st March, 2022	As at 31st March, 2021
	₹	₹
Authorised 9,90,000 (9,90,000) Equity shares of Rs 10/- each	9,900,000	9,900,000
Issued, subscribed & paid up 9,90,000 (9,90,000) equity shares of Rs 10/- each fully paid in cash	9,900,000	9,900,000
Total	9,900,000	9,900,000

NOTE 13.1

The reconciliation of the number of shares outstanding and the amount of share capital.:

<u>Particulars</u>	Equity shares(31.03.2022)		Equity shares(31.03.2021)	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	990,000	9,900,000	990,000	9,900,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	990,000	9,900,000	990,000	9,900,000

NOTE 13.2

All the equity shares carry equal rights and obligations including for dividend and with respect to voting.

NOTE 13.3

The details of Shareholders holding more than 5% shares:

<u>Name of the shareholders</u>	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% held	No. of shares	% held
NIL				

NOTE 13.4

The Company has not issued any securities convertible into equity / preference shares.

NOTE 13.5

During any of the last five years from year ended 31st March, 2022

- a.) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- b.) No shares were allotted as fully paid up by way of bonus shares.
- c.) No shares were bought back.

NOTE 13.6

Each holder of equity shares is entitled to one vote per share.

NOTE 13.7

Shareholding of promoters :

SI No	<u>Name of the Promoters</u>	As at 31st March 2022		As at 31st March 2021		% change during the year
		No. of shares	% held	No. of shares	% held	
1	Shiv Kumar Didwania	10	0.00%	10	0.00%	-
2	Sitaram Pansari	10,000	1.01%	10,000	1.01%	-



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 14

<u>Other equity</u>	As at 31st March,2022	As at 31st March,2021
	₹	₹
(i) General Reserve		
Balance as per last financial statement	33,000	33,000
Add: During the year	-	-
Closing balance (A)	33,000	33,000
(ii) Other Reserves (Reserve Fund in terms of Section 45IC of the RBI Act, 1934)		
Balance as per last financial statement	3,771,831	3,180,724
Add: During the year	766,356	591,107
Closing balance (B)	4,538,187	3,771,831
(iii) Retained Earnings		
Balance as per last financial statement	13,319,297	10,954,868
Add: Profit for the year	3,831,778	2,955,536
Less: appropriations-transfer to RBI reserve fund	-766,356	-591,107
Closing balance (C)	16,384,719	13,319,297
(iv) Other Comprehensive Income		
Balance as at the beginning of the year	14,057,263	-1,596,357
Add: Gain/(loss) for the year	6,883,219	15,653,620
Closing balance (D)	20,940,481	14,057,263
Total(A +B+C+D)	41,896,387	31,181,391

NOTE 14.1

General Reserve

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

NOTE 14.2

Special Reserve (u/s 45-IC of RBI Act, 1934)

Speacial Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and related regulations applicable to those companies. Under the RBI Act, a non-banking financial company is required to create a reserve by transferring an amount not less than 20% of its net profit before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

NOTE 14.3

Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

NOTE 14.4

Other Comprehensive Income(OCI)

Other Comprehensive Income(OCI) represents Cumulative Fair Value Gain/(Loss) on Investments measured at Fair value through Other Comprehensive Income(FVOCI)



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2022

NOTE 15

<u>Interest Income</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Interest on Loans	332,693	-
Interest income on fixed deposits	23,935	22,806
Interest on IT refund	5,402	-
Total	362,030	22,806

NOTE 16

<u>Other income</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Commission received (TDS : current year 1,89,756/-, previous year 1,40,225/-)	3,795,000	3,739,326
Sundry Balance w/o	-	20,697
Total	3,795,000	3,760,023

NOTE 17

<u>Finance cost</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Interest on borrowings	1,000,759	474,775
Total	1,000,759	474,775

NOTE 18

<u>Change in inventories</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Shares & Securities		
At the beginning of the period	85,452	85,452
At the end of the period	85,452	85,452
Total	-	-

NOTE 19

<u>Employee benefits expense</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Attendance Allowance	48,255	17,366
Bonus	39,327	8,956
Contribution to Provident Fund	30,778	19,367
Child Education Allowance	78,718	52,969
Directors Remuneration	1,406,000	1,555,667
House Rent Allowance	76,275	46,856
Leave Salary	32,824	8,523
House Rent for directors	525,000	375,000
Provision for Gratuity	37,673	8,653
Salaries	351,469	216,552
Staff Welfare Expenses	22,123	28,902
Tiffin Allowance	63,935	36,810
Washing Allowance	70,404	40,421
Total	2,782,781	2,416,042



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2022

NOTE 20

<u>Other expenses</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Administrative, selling and other expenses		
Auditor's Remunerations	16,520	16,520
Bank Charges	4,123	1,189
Computer Expenses	21,000	738
Conveyance Expenses	13,400	14,240
Demat Charges	5,260	5,632
Electricity Charges	150,783	24,501
Filing Fees	12,500	10,500
General Expenses	10,626	14,148
listing fees	100,300	-
Meeting Fees	8,000	8,000
Membership & Subscription	-	6,000
Office Maintenance	140,917	37,431
Printing & Stationery	8,840	10,090
Professional Tax (Company)	2,500	2,500
Professional & Legal Expenses	48,800	101,550
Postage & Stamp	4,610	5,710
Rates & Taxes	4,113	4,113
Retainership Fees	36,400	53,001
Rent	96,000	96,000
Statutory Provision for Standard Assets	-	-
Trade Licence fees	2,300	2,150
Total	686,992	414,013

NOTE 21

<u>Tax expense</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Rs.	Rs.
(a) Current Tax		
Provision for Income Tax	710,520	595,390
Income Tax adjustment	-	-
(b) Deferred Tax	(9,774)	13,974
Balance debited to P/L A/c.	700,746	609,364

NOTE 22

<u>Earning per share</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Numerator used for Calculating basic and diluted Earning Per Share - Profit After Taxation	3,831,778	2,955,536
Weighted average no. of Shares used as denominator for Calculating EPS.	990,000	990,000
Nominal Value Per Share	10.00	10.00
Basic and Diluted Earning Per Share	3.87	2.99

NOTE 23

<u>Payment to auditor as</u>	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	₹	₹
Statutory Audit Fee	16,520	16,520
Total	16,520	16,520



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 24 : Financial Assets at Amortised Cost Method

The carrying value of the following financial assets recognised at amortised cost:

Particulars	(Amount in Rs.)	
	As at March 31, 2022	As at March 31, 2021
Investments in Shares	1,670,000	1,670,000
Cash and cash equivalents	643,832	567,425
Other Bank Balances other than above	387,054	363,119
Total	2,700,886	2,600,544

Note: The fair value of the above financial assets are approximately equivalent to carrying values as recognised above.

Note 25 : Financial Liabilities at Amortised Cost Method

The carrying value of the following financial liabilities recognised at amortised cost:

Particulars	(Amount in Rs.)	
	As at March 31, 2022	As at March 31, 2021
Borrowings	9,702,253	3,652,811
Total	9,702,253	3,652,811

Note: The fair value of the above financial liabilities are approximately equivalent to carrying values as recognised above.

Note 26 : Financial Assets at Fair Value Through Other Comprehensive Income

The carrying value of the following financial assets recognised at fair value through profit or loss:

Particulars	(Amount in Rs.)	
	As at March 31, 2022	As at March 31, 2021
Non Current Financial Assets		
Investments in Shares	58,830,371	43,244,857
Total	58,830,371	43,244,857

Note: The above investments are quoted instruments in active markets and the same is recognised at fair value. Fair value measurement is done considering the Level -1 of Fair Value Hierarchy as per the Ind-AS 113.

Note 27 : Financial Risk Management Objectives and Policies

The Company's principal financial liabilities include trade and other payables and financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Risk		Exposure arising from	Measurement	Management
Credit Risk*		Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis and Credit ratings	Diversification of bank deposits and credit limits
Liquidity Risk		Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company is in the business of advisory services. Credit quality of a customer is assessed by the management on regular basis with market information and individual credit limits are defined accordingly. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note.

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 expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made generally in the fixed deposits and for funding to subsidiary company. The investment limits are set to minimise the concentration of risks and therefore mitigate financial loss to make payments for vendors.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as stated in balance sheet except for balances of subsidiary company.

Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of unsecured loans. The Company has access to a sufficient variety of sources of funding which can be rolled over with existing lenders. The Company believes that the working capital is sufficient to meet its current requirements.

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2022 and March 31, 2021

Particulars	(Amount in Rs.)				Total
	Less than 3 Months	3 to 12 months	1 to 5 years	> 5 years	
Year ended March 31, 2022					
Unsecured Loans	-	-	9,702,253	-	9,702,253
Trade Payables	-	-	-	-	-
Year ended March 31, 2021					
Unsecured Loans	-	-	3,652,811	-	3,652,811
Trade Payables	-	-	-	-	-

Market Risk

Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

Note 28 : Segment Information:

Information given in accordance with the requirements of Indian Accounting Standard 108 on Segment Reporting issued by the Institute of Chartered Accountants of India.

INFORMATION ABOUT BUSINESS SEGMENT

Particulars	Dealing in Shares & Securities	Finance & Brokerage	Unallocated	Year Ended 31.03.2022
SEGMENT REVENUE				
Current Year	1,327,752	4,151,628	3,523,677	9,003,057
Previous Year	533,848	3,762,132	2,573,751	6,869,731
EXPENSES				
Current Year	514,356	2,592,604	1,363,572	4,470,532
Previous Year	224,303	2,015,789	1,064,739	3,304,830
RESULTS				
Segment Results	813,396	1,559,024	2,160,105	4,532,525
Previous Year	309,546	1,746,343	1,509,012	3,564,901
Income Tax	-	-	-	710,520
Previous Year	-	-	-	595,390
Deferred Tax	-	-	-	-9,773
Previous Year	-	-	-	13,975
Income Tax Adjustment	-	-	-	-
Previous Year	-	-	-	-
Provision for FBT	-	-	-	-
Previous Year	-	-	-	-
Total Results	813,396	1,559,024	2,160,105	3,831,778
CAPITAL EMPLOYED				
Segment Assets	60,691,602	727,347	2,066,278	63,485,228
Previous Year	45,050,128	720,051	641,704	46,411,883
Segment Liabilities	-	3,652,811	1,083,122	4,735,933
Previous Year	-	1,507,894	1,916,023	3,423,917
CAPITAL EMPLOYED	60,691,602	-2,925,464	983,156	58,749,295

BUSINESS AND GEOGRAPHICAL & SEGMENT

i) **Business Segments:**

For management purpose, the Company's business may be divided into two major Segment.

- Dealing in Shares & Securities and
- Finance & Brokerage

ii) **Geographical Segments :**

The Company's business is concentrated in similar Geographical political and economic condition, hence, Geographical segment reporting is not applicable.

iii) **Segment revenue and Expenses :**

Revenues and expenses directly attributable to the Segments are allocated to the respective segments. Those revenues and expenses which cannot be directly allocated to the Segments are apportioned on a reasonable basis.

iv) **Segment Capital Employed :**

Segment Capital employed represents the net assets in that Segment.

v) **Inter Segment transfer :**

There is no Segment transfer between business Segment as well as between Geographical segment.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 29 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(Amount in Rs.)			
Particulars		March 31, 2022	March 31, 2021
A) Net Debt			
Borrowings (Current and Non-Current)		9,702,253	3,652,811
	Net Debt (A)	9,702,253	3,652,811
B) Equity			
Equity share capital		9,900,000	9,900,000
Other Equity		41,896,387	31,181,391
	Total Equity (B)	51,796,387	41,081,391
Gearing Ratio (Net Debt / Capital) i.e. (A / B)		18.73	8.89

Note 30 : Contingent Liabilities not Provided for:

(Amount in Rs.)			
Particulars		March 31, 2022	March 31, 2021
Disputed Liabilities in respect of Income Tax		-	-
Total		-	-

Note 31 : Related Party Disclosure:

i) Relationship

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Vinita Khaitan (Director)
	Suresh Kumar Murarka (Director)
Relative of KMP	Anjana Khaitan

- 1) The list of related parties above has been limited to entities with which transactions have taken place.
- 2) Related party transactions have been disclosed till the time the relationship existed.

(ii) Details of Related Party transactions during the year ended March 31, 2022

Particulars	(Amount In Rs)	
	As at March 31, 2022	As at March 31, 2021
Interest Paid		
Vinita Khaitan	202,718	201,191
Suresh Kumar Murarka	336,148	273,584
Anjana Khaitan	85,923	-
Loan taken		
Vinita Khaitan	1,205,000	3,615,000
Suresh Kumar Murarka	450,000	1,450,000
Anjana Khaitan	4,225,000	-
Loan taken returned		
Vinita Khaitan	-	3,100,000
Anjana Khaitan	3,100,000	-



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(iii) Closing Balances of the Related Parties

(Amount In Rs)

Particulars	Balances as at March 31, 2022	Balances as at March 31, 2021
Loan Taken		
Vinita Khaitan	2,490,257	1,102,811
Suresh Kumar Murarka	3,000,000	2,550,000
Anjana Khiatan	1,150,000	-
Total	6,640,257	3,652,811

Note 32 : Impact of COVID-19

Due to the outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

Note 33 : Reporting w.r.t NBFC (ND)

Additional information as per guidelines issued by the Reserve Bank of India in respect of Non - Banking Financial Companies (Non Deposit Accepting or Holding) systemically important (NBFC - ND - SI) are given in Annexure I attached herewith.

Note 34 : Analytical Ratios

	Ratio	Numerator	Denominator	31-03-22	31-03-21	% Variance	Remarks	
a)	Capital to risk weighted assets ratio(CRAR)	32,271,497	37,975,342	84.98%	95.84%	-11.34%	Numerator Net Owned fund(Tier I) and Tier 2 Capital Denominator Risk weighted assets	
b)	Tier I CRAR	32,271,497	37,975,342	84.98%	95.84%	-11.34%	Numerator Tier I capital Denominator Risk weighted assets	
c)	Tier II CRAR	NA						Numerator Tier II capital Denominator Risk weighted assets
d)	Liquidity Coverage ratio(LCR)	643,832	332,103	193.87%	74.71%	159.48%	Numerator Cash and Cash Equivalent Denominator Expected cash outflow in next 30 days	

CRAR and Liquidity Coverage ratio is computed as per RBI direction by taking total assets, risk weights for CRAR and liquidity for LCR.

Note 35 : Previous Years' Figures:

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and polices to the extent applicable.

The accompanying notes are an integral part of these financial statements

For **UTTAM AGARWAL & ASSOCIATES**

Chartered Accountants.

FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455

UDIN: 22307455AKMTEC3903

72, Cotton Street, Kolkata - 700 007

Date : 30th day of May 2022



For and on Behalf of Board

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED

Annexure I of Note 33 to the financial statement of a Non Banking Financial Company

		Rs. In lacs	
Particulars			
1	Liabilities Side	Amount outstanding	Amount overdue
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	a) Debentures : Secured Unsecured (Other than falling within the meaning of Public Deposit)		
	b) Deferred Credits		
	c) Term Loan		
	d) Inter Corporate loans & borrowing		
	e) Commercial Paper		
	f) Public Deposits		
	g) Other Loans (Unsecured and Short Term)	97.02	-
	Total (1)	97.02	-
2	Break-up of (1)(f) above (outstanding Public Deposits inclusive of interest accrued there on but not paid)		
	a) In the form of Unsecured debentures		
	b) In the Form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	c) Other Public deposits		
	Total (2)		NIL
3	Assets Side	Amount Outstanding	
	Break-up of Loans & Advances including bills receivable (other than those included in (4) below):-		
	a) Secured		Nil
	b) Unsecured		Nil
4	Break up of Leased Assets and Stock on hire and hypothecation loans counting towards EL / HP activities		
	i) Lease assets including lease rentals under Sundry Debtors		
	a) Financial Lease		
	b) Operating lease		
	ii) Stock on hire including hire charges under Sundry Debtors		
	a) Assets on hire		
	b) Repossessed Assets		
	iii) Hypothecation loans counting towards EL/HP activities		
	a) Loans where assets have been repossessed		
	b) Loans other than (a) above		



PALI COMMERCIAL COMPANY LIMITED

Annexure I of Note 33 to the financial statement of a Non Banking Financial Company

5	<p>Break up of Investments:</p> <p><u>Current Investments :</u></p> <p>1 <u>Quoted :</u></p> <p>i) Shares : a) Equity Nil b) Preference Nil</p> <p>ii) Debentures & Bonds Nil</p> <p>iii) Units of Mutual Funds Nil</p> <p>iv) Government Security Nil</p> <p>v) Others (please specify) Nil</p> <p>2 <u>Unquoted :</u></p> <p>i) Shares : a) Equity Nil b) Preference Nil</p> <p>ii) Debentures & Bonds Nil</p> <p>iii) Units of Mutual Funds Nil</p> <p>iv) Government Security Nil</p> <p>v) Others (please specify) Nil</p> <p><u>Long Term Investments:</u></p> <p>1 <u>Quoted :</u></p> <p>i) Shares : a) Equity 588.30 b) Preference Nil</p> <p>ii) Debentures & Bonds Nil</p> <p>iii) Units of Mutual Funds Nil</p> <p>iv) Government Security Nil</p> <p>v) Others (please specify) Nil</p> <p>2 <u>Unquoted :</u></p> <p>i) Shares : a) Equity 16.70 b) Preference Nil</p> <p>ii) Debentures & Bonds Nil</p> <p>iii) Units of Mutual Funds Nil</p> <p>iv) Government Security Nil</p> <p>v) Others (please specify) Nil</p>	
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6	Borrower group-wise classification of all assets, stock on hire and loans and advances		
		Amount net of Provisions	
	<u>Category</u>	Secured	Unsecured
		Total	
	1. Related Parties		
	a) Subsidiaries		
	b) Companies in the same group	Nil	Nil
	c) Other related parties		
	2. Other than related parties	Nil	Nil
	Total	Nil	Nil



PALI COMMERCIAL COMPANY LIMITED

Annexure I of Note 33 to the financial statement of a Non Banking Financial Company

7	Investors group-wise classification of all investments (Current and long term) in shares and securities (both quoted and unquoted):			
	Category	Market value / Break up or fair value or NAV	Book Value (Net of Provision)	
	1) Related parties			
	a) Subsidiaries			
	b) Companies in the same group	16.70	16.70	
	c) Other related parties			
	2. Other than related parties	588.30	588.30	
	Total	605.00	605.00	
8	Other Information		Amount(Rs.)	
	<u>Particulars</u>			
	i) <u>Gross Non-Performing Assets</u>			
	a) Related Parties			Nil
	b) Other than Related Parties			Nil
	ii) <u>Net Non-Performing Assets</u>			
	a) Related Parties			Nil
b) Other than Related Parties			Nil	
	iii) Assets acquired in satisfaction of debts		Nil	

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 35

As per our report of even date attached.

FOR UTTAM AGARWAL & ASSOCIATES

Chartered Accountants.

FRN 322455E

Gaurav Agarwal

Gaurav Agarwal

(Partner)

Membership No. :307455

UDIN : 22307455AKMTEC3903

72, Cotton Street, Kolkata - 700 007

Date : 30th day of May 2022



DIRECTORS

Vinita Khaitan

VINITA KHAITAN

(DIN 07168477)

Suresh Kumar Murarka

SURESH KUMAR MURARKA

(DIN 02130810)